

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

Determination of the Commission in
Investigation No. 701-TA-305
(Final) Under the Tariff Act of
1930, Together With the Information
Obtained in the Investigation

U.S. INTERNATIONAL TRADE COMMISSION
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USITC PUBLICATION 2442

OCTOBER 1991

Determinations of the Commission in
Investigations Nos. 731-TA-478 and
480-482 (Final) Under the Tariff Act
of 1930, Together With the Information
Obtained in the Investigations

United States International Trade Commission
Washington, DC 20436

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 701-TA-305 and
731-TA-478 and 480 through 482 (Final)

Steel Wire Rope from India, the People's Republic of China,
Taiwan, and Thailand

Determinations

On the basis of the record¹ developed in the subject investigations, the Commission unanimously 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 not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by imports from India of steel wire rope,² provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be subsidized by the Government of India. The Commission also unanimously determines, pursuant to section 735(b) of the Act (19 U.S.C. § 1673d(b)), 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 India, the People's Republic of China, Taiwan, and Thailand of steel wire rope, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

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

² The imported steel wire rope covered by these investigations consists of ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of stainless steel or brass plated wire. Such steel wire rope was previously provided for in item 642.16 of the former Tariff Schedules of the United States (TSUS)).

VIEWS OF THE COMMISSION

Based on the information obtained in these final investigations, we unanimously determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of steel wire rope from the People's Republic of China ("China"), Taiwan, and Thailand that are sold at less than fair value (LTFV) and imports from India that are both subsidized and sold at LTFV.¹

I. Like Product and Domestic Injury

In determining whether there is a reasonable indication of material injury or threat thereof to a domestic industry, the Commission must make threshold determinations with respect to "like product" and "domestic industry." Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product. . . ." ² "Like product" is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation" ³

The Department of Commerce (Commerce) defines the imported merchandise that is subject to the investigation, and the Commission determines what domestic products are "like" the imports. The imported product subject to

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

² 19 U.S.C. § 1677(4)(A).

³ 19 U.S.C. § 1677(10).

investigations, we defined the like product to consist of all steel wire rope, regardless of composition or end use, and concomitantly found that the domestic industry is composed of all producers of steel wire rope. We adopt the same like product and domestic industry determinations here.

II. Condition of the Domestic Industry⁷

In assessing the condition of the domestic industry, the Commission considers, among other factors, domestic consumption, production, capacity, capacity utilization, shipments, inventories, employment, financial performance, capital investment, and research and development efforts.⁶ We must evaluate these factors within the context of the business cycle and conditions of competition that are distinctive to the affected industry.⁹ For the purpose of these final investigations, the Commission collected data bearing on the condition of the domestic industry for the period 1988 through

⁶(...continued)

in August, 1991, in order to meet its August 15, 1991 statutory deadline, but is separately issuing its final determinations regarding the remaining countries.

⁷ Acting Chairman Brunsdale joins in this discussion of the condition of the domestic industry. She does not, however, join in her colleagues conclusion that this information establishes that there is no material injury to a domestic industry. She does not believe that a discussion of the condition of the industry, taken alone, can establish that a domestic industry has not been materially injured by reason of dumped imports, which is the question the Commission is directed to consider. She does, however, find the discussion of the condition of the domestic industry helpful in determining whether any injury resulting from the dumped imports is material. (For a discussion of the basis for her determination that there is no material injury by reason of the dumped imports, see her Additional Views in the preliminary investigation of Canadian steel wire rope. (Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary), USITC Pub. 2409 (August 1991) at 25-42 (Additional Views of Acting Chairman Anne E. Brunsdale).) The factual record in that investigation was identical to that in the current cases and the analysis set forth there applies equally to her determinations here.)

⁸ 19 U.S.C. § 1677(7)(C)(iii).

⁹ See id.

utilization was at a high of 58 percent, as compared to 51 percent for the first six months of 1991.¹⁴

The quantity of U.S. producers' domestic shipments of steel wire rope remained relatively steady during the period of investigation, although the slight increases and decreases followed the opposite trends from production.¹⁵ By value, U.S. producers' shipments increased during this period. In terms of both quantity and value, the U.S. producers' shipments were higher for interim 1990 than for interim 1991.

U.S. producers' inventories of steel wire rope decreased during the three-year period of investigation and were lower in interim 1991 than in interim 1990.¹⁶ The ratio of inventories to production declined during the three-year period and rose in interim 1991 as compared to interim 1990.

Employment indicators for the domestic industry were generally favorable.¹⁷ The number of production and related employees rose slightly during the period of investigation, as did total compensation. As a result of renegotiated labor contracts, hourly wages were reduced from \$11.62 in 1988 to \$11.35 in 1989, but then rose to \$11.51 in 1990. The number of hours worked rose steadily during the investigation period, while labor productivity decreased.

¹⁴ Report at A-50, Table 6.

¹⁵ Report at A-51, Table 7.

¹⁶ Report at A-54, Table 9.

¹⁷ Report at A-55, Table 10.

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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731-TA-478 and 480 through 482 (Final)

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Taiwan, and Thailand

Determinations

On the basis of the record¹ developed in the subject investigations, the Commission unanimously 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 not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by imports from India of steel wire rope,² provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be subsidized by the Government of India. The Commission also unanimously determines, pursuant to section 735(b) of the Act (19 U.S.C. § 1673d(b)), 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 India, the People's Republic of China, Taiwan, and Thailand of steel wire rope, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

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

² The imported steel wire rope covered by these investigations consists of ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of stainless steel or brass plated wire. Such steel wire rope was previously provided for in item 642.16 of the former Tariff Schedules of the United States (TSUS)).

Background

Following a preliminary determination by the Department of Commerce that imports of steel wire rope from India are being subsidized by the Government of India within the meaning of section 703(b) of the Act (19 U.S.C. § 1671b(b)), the Commission instituted its final countervailing duty investigation effective February 4, 1991. The Commission also instituted final antidumping investigations effective April 18, 1991, following preliminary determinations by the Department of Commerce that imports of steel wire rope from India, the People's Republic of China, Taiwan, and Thailand were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the institution of the Commission's 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 1, 1991 (56 F.R. 20024). The hearing was held in Washington, DC, on July 9, 1991, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

Based on the information obtained in these final investigations, we unanimously determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of steel wire rope from the People's Republic of China ("China"), Taiwan, and Thailand that are sold at less than fair value (LTFV) and imports from India that are both subsidized and sold at LTFV.¹

I. Like Product and Domestic Injury

In determining whether there is a reasonable indication of material injury or threat thereof to a domestic industry, the Commission must make threshold determinations with respect to "like product" and "domestic industry." Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product. . . ." ² "Like product" is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation" ³

The Department of Commerce (Commerce) defines the imported merchandise that is subject to the investigation, and the Commission determines what domestic products are "like" the imports. The imported product subject to

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

² 19 U.S.C. § 1677(4)(A).

³ 19 U.S.C. § 1677(10).

these investigations is steel wire rope from China, India, Taiwan, and Thailand. Commerce has defined this product as follows:

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of brass plated wire. Excluded from this investigation is stainless steel wire rope, i.e., ropes, cables, and cordages other than stranded wire, of stainless steel, not fitted with fittings or made into articles, which is classifiable under Harmonized Tariff Schedule (HTS) subheading 7312.10.6000⁴

While the Commission accepts Commerce's determination as to which merchandise is within the class of merchandise allegedly sold at less than fair value (LTFV), the Commission determines what domestic products are like the ones in the class defined by Commerce.⁵ With regard to all issues affecting our like product determination, the record in these investigations is identical to that upon which we recently based our like product determination in Steel Wire Rope from Argentina and Mexico, Invs. Nos. 731-TA-476 and 479 (Final), USITC Pub. 2410 (August 1991).⁶ In those

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

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

⁶ The investigations of steel wire rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, and Thailand were filed simultaneously on November 5, 1990. In December 1990, the Commission issued affirmative preliminary determinations for steel wire rope from Argentina, India, Mexico, the People's Republic of China, Taiwan, and Thailand, and negative preliminary determinations for subject imports from Chile and Israel. Steel Wire Rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, and Thailand, Invs. Nos. 701-TA-305 & 306 and 731-TA-476-482 (Preliminary), USITC Pub. 2343 (Dec. 199). Commerce postponed its final determinations regarding imports from China, India, Taiwan, and Thailand until September 4, 1991, but did not postpone its final determinations in the investigations involving Mexico and Argentina. As a result, the Commission voted on and issued its final determination regarding imports from Mexico and Argentina (continued...)

investigations, we defined the like product to consist of all steel wire rope, regardless of composition or end use, and concomitantly found that the domestic industry is composed of all producers of steel wire rope. We adopt the same like product and domestic industry determinations here.

II. Condition of the Domestic Industry⁷

In assessing the condition of the domestic industry, the Commission considers, among other factors, domestic consumption, production, capacity, capacity utilization, shipments, inventories, employment, financial performance, capital investment, and research and development efforts.⁸ We must evaluate these factors within the context of the business cycle and conditions of competition that are distinctive to the affected industry.⁹ For the purpose of these final investigations, the Commission collected data bearing on the condition of the domestic industry for the period 1988 through

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in August, 1991, in order to meet its August 15, 1991 statutory deadline, but is separately issuing its final determinations regarding the remaining countries.

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⁸ 19 U.S.C. § 1677(7)(C)(iii).

⁹ See id.

1990, as well as interim data for the first six months of 1990 and 1991. The data collected and analyzed in these investigations indicate that the domestic industry is not suffering material injury.

Apparent domestic consumption of steel wire rope increased slightly from 198,913 short tons in 1988 to 203,211 in 1989, and then decreased to 190,539 short tons in 1990.¹⁰ However, apparent consumption was slightly higher for the first six months of 1991 as compared to the same period for 1990. During the three-year period of investigation, the U.S. producer's share of total apparent consumption moved in the opposite direction from consumption, decreasing slightly from 60.1 percent in 1988 to 59.4 percent in 1990, and then increasing to a period high of 62 percent in 1990.¹¹ The interim share for 1991 was lower than the interim share for 1990.

Domestic production of steel wire rope increased slightly during the three-year investigatory period, from 126,820 short tons in 1988 to 129,874 short tons in 1990.¹² The capacity of U.S. producers of steel wire rope was basically steady throughout the period of investigation, with a slight (2.6 percent) increase reflecting sales and purchases of equipment.¹³ Capacity utilization dipped slightly from 55 percent in 1988 to 52 percent in 1989, and then rose again to 55 percent in 1990. For the first six months of 1990,

¹⁰ Commission Report of August 1, 1991 ("Report"), included in Steel Wire Rope from Argentina and Mexico, Invs. Nos. 731-TA-476 and 479 (Final), USITC Pub. 2410 (August 1991), at A-83, Table 28.

¹¹ Report at A-84, Table 29.

¹² Report at A-50, Table 6.

¹³ Report at A-50, Table 6.

utilization was at a high of 58 percent, as compared to 51 percent for the first six months of 1991.¹⁴

The quantity of U.S. producers' domestic shipments of steel wire rope remained relatively steady during the period of investigation, although the slight increases and decreases followed the opposite trends from production.¹⁵ By value, U.S. producers' shipments increased during this period. In terms of both quantity and value, the U.S. producers' shipments were higher for interim 1990 than for interim 1991.

U.S. producers' inventories of steel wire rope decreased during the three-year period of investigation and were lower in interim 1991 than in interim 1990.¹⁶ The ratio of inventories to production declined during the three-year period and rose in interim 1991 as compared to interim 1990.

Employment indicators for the domestic industry were generally favorable.¹⁷ The number of production and related employees rose slightly during the period of investigation, as did total compensation. As a result of renegotiated labor contracts, hourly wages were reduced from \$11.62 in 1988 to \$11.35 in 1989, but then rose to \$11.51 in 1990. The number of hours worked rose steadily during the investigation period, while labor productivity decreased.

¹⁴ Report at A-50, Table 6.

¹⁵ Report at A-51, Table 7.

¹⁶ Report at A-54, Table 9.

¹⁷ Report at A-55, Table 10.

Finally, the financial performance of U.S. producers for operations producing steel wire rope was positive.¹⁸ Net sales, gross profits, and operating income levels all increased steadily from 1988 to 1990. During this investigation period, net sales increased from \$225 million to \$239 million, and gross profits rose from \$52.7 million to \$63.4 million. This trend was also reflected in operating income, which increased markedly from \$6.4 million in 1988 to \$11.1 million in 1990. Gross profit margins, as a percentage of sales likewise increased throughout the three-year period, from 23.4 percent of sales in 1988 to 26.6 percent in 1990. These financial indicators all were lower for the first three months of 1991 than they were for the first quarter of 1990, but even for interim 1991, gross profits, as a percent of sales were at a higher level than the 1990 level.¹⁹

Based on the foregoing, we find that the domestic industry producing steel wire rope is not presently experiencing material injury. Capacity, production, capacity utilization, domestic shipments, and the employment indicators were basically steady throughout the investigatory period, with slight dips and rises from year to year. At the same time, the financial indicators increased steadily. Although a comparison of the interim 1990 and 1991 data shows some downward movement, these changes are marginal, and seem

¹⁸ Report at A-59, Table 12. The domestic producers' financial experience for their overall operations was also positive. Report at A-57, Table 11.

¹⁹ Petitioner has argued that the sales of steel wire rope which were in the inventory acquired by some domestic producers when they purchased other firms should not be included in the net sales figure because this rope was not manufactured by the producers who ultimately sold the products. In this case, we have included the ultimate sales of acquired inventory in the net sales figure because the original transfers of the goods were not reported as sales by the firms that were purchased, the amounts are substantial, and the inventory was valued as fair market value by independent auditors.

typical of the slight up and down movement in trends during the three-year investigative period.²⁰

Nevertheless, we are mindful that a domestic industry's positive performance trends during a period of recovery may mask material injury caused by LTFV imports.²¹ Even if we believed that it was proper to characterize the condition of the domestic industry as showing present material injury, we would make a negative determination based on the lack of causal nexus between the subject imports and any harm suffered by the domestic industry.

III. No Material Injury by Reason of Subject Imports²²

In addressing whether any material injury suffered by the domestic industry is by reason of the subject imports,²³ the Commission assesses whether import volumes or increases in volume, either absolutely or relatively, are significant, whether there has been significant underselling by the imported products, whether imports otherwise significantly depress or

²⁰ Commissioner Lodwick does not join in the remainder of the discussion of the condition of the industry or in Section III of the Commission's opinion. Having found that the domestic industry is not experiencing material injury, he does not address causation.

²¹ See National Association of Mirror Manufacturers v. United States, 696 F.Supp. 642, 647 (Ct. Int'l Trade 1988); S. REP. No. 1385, 90th Cong., 2d Sess. Pt. 2, 11 (1968), reprinted in U.S. Code Congressional and Administrative News 4539, 4548 ("An industry which is prospering can be injured by dumped imports. . ."); S. REP. No. 71, 100th Cong., 1st Sess. 116 (1987) ("temporary trends can mask real harm caused by imports").

²² Acting Chairman Brunsdale does not join this section of the Commission's opinion. (Her analysis is set forth separately in her Additional Views in the preliminary investigation of Canadian steel wire rope. (Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary), USITC Pub. 2409 (August 1991) at 25-42 (Additional Views of Acting Chairman Anne E. Brunsdale).) The factual record in that investigation was identical to that in the current cases and the analysis set forth there applies equally to her determinations here.)

²³ 19 U.S.C. § 1673d(b)(1).

suppress prices, and any other impact the subject imports may be having on the domestic industry.²⁴

After considering the record in these investigations, we find no causal link between the condition of the industry and the cumulated subject imports from the six countries subject to final investigations and Canada, which was simultaneously subject to a preliminary investigation.²⁵ The cumulated market share of the subject imports is relatively small and has been so throughout the period of investigation.

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

²⁴ 19 U.S.C. § 1677 (7)(B) and (C).

²⁵ Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary). See Grey Portland Cement and Clinker from Japan, Inv. No. 731-TA-461 (Final), USITC Pub. 2316 (April 1991) at 31, n. 88; Chaparral Steel Company v. United States, 901 F.2d 1097, 1104 (Fed. Cir. 1990).

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

market share, at the expense of Korean imports,²⁶ which are not subject to a title VII investigation, and are therefore considered to be fairly traded. In the first six months of 1991, both domestic and subject producers lost some of this share back to the Koreans. In this regard, we note that the slight downward interim 1991 trends for the domestic industry corresponded to a substantial decrease in penetration by the subject imports and a substantial increase in Korean imports. These roughly parallel changes in the volume and market share of the domestic products and the subject imports belie any casual link between the volume of these imports and the performance of the domestic industry. Rather, the data reflect interplay between Korean imports on one hand and combined sales of both the domestic product and subject imports on the other.

We also find no evidence of adverse price effects by the cumulated subject imports. The evidence does not demonstrate that underselling of the imports has depressed prices. Notwithstanding evidence of some underselling by the imports, prices of the domestic products generally increased during the period of investigation.²⁷ This is especially so in the case of bright wire rope, which accounts for the bulk of U.S. production and shipments, by both quantity and value.²⁸

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

²⁶ Report at A- 83-85, Tables 28 & 29.

²⁷ Report at A-95, Table 30.

²⁸ Report at A-51, Table 7; A-95, Table 30.

IV. Threat of Material Injury

Section 771(7)(F) of the Tariff Act of 1930 directs the Commission to determine whether a U.S. industry is threatened with material injury by reason of imports "on the basis of evidence that the threat of material injury is real and that actual injury is imminent." We may not base an affirmative threat determination on mere supposition or conjecture.²⁹

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

(I) if a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the [GATT] Agreement),

(II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

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

(IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,

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

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

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

(VIII) the potential for product shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 1671 or 1673 of this title or to final orders under section 1671e or 1673e of this title, are also used to produce the merchandise under investigation,

²⁹ See 19 U.S.C. § 1677(7)(F)(ii).

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

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

In addition, the Commission must consider whether dumping findings or antidumping remedies in markets of foreign companies against the same class of merchandise suggest a threat of material injury to the domestic industry.³⁰ Factors VIII and IX are inapplicable to these investigations, and there is no reported dumping of steel wire rope from any of the subject countries in third country markets.

In reaching its threat determination, the Commission may, "to the extent practicable," cumulate the price and volume effects of imports from different countries for the purposes of assessing market penetration and price suppression and depression.³¹ For the purposes of a threat determination, petitioner urges the Commission to cumulate the imports from all seven countries subject to preliminary or final investigations, i.e. imports from Argentina, India, Mexico, China, Taiwan, Thailand, and Canada.

³⁰ 19 U.S.C. § 1677(7)(F)(iii).

³¹ 19 U.S.C. § 1677(7)(F)(i), (iv).

We note that the varying import trends among the products from the seven countries make cumulation difficult.³² Nonetheless, we have evaluated the relevant threat criteria on both a cumulative and a disaggregated basis. We find that the subject imports from China, India, Taiwan, and Thailand, whether evaluated independently or cumulatively (with each other and imports from Argentina, Mexico, and Canada), do not threaten the domestic industry with material injury. Some of the data upon which we base our determination are business proprietary and can only be discussed in general terms.

No Threat of Material Injury by Reason of LTFV Imports from China, India, Taiwan, and Thailand

Of the countries subject to investigation, the threat factor concerning subsidies is applicable only to India.³³ Although Commerce has found that Indian producers and exporters of steel wire rope receive export subsidies, we do not find this factor determinative in light of our consideration of the other threat factors.

The capacity and capacity utilization information does not suggest a threat from imports of steel wire rope produced in and exported from China, India, Thailand and Taiwan. To a large extent, steel wire rope production capacity in these countries has remained stable, and capacity utilization has

³² See, e.g., Tart Cherry Juice and Tart Cherry Juice Concentrate from Germany and Yugoslavia, Invs. Nos. 731-TA-512 and 513 (Preliminary), USITC Pub. 2378 (May 1991) at 24.

³³ Although Commerce has determined that countervailable benefits are being provided to the Thai producers of steel wire rope, we are not required to make an injury or threat determination with respect to the subsidized imports from Thailand, because these imports do not enter the United States duty free. See 19 U.S.C. § 1301(b).

been high.³⁴ Despite an increase in Taiwan capacity over the period of investigation, Taiwan exports to the United States did not show a significant increase from the beginning to the end of the investigation period.³⁵

When all imports are evaluated on a cumulative basis, their market share has been fairly low throughout the period of investigation in terms of quantity, and even more so in terms of value.³⁶ There has been no rapid increase in penetration of the subject imports. Both the volume and market share of subject imports decreased from 1989 to 1990 and decreased substantially for the first six months of 1991 as compared to the first six months of 1990.³⁷ Consequently, it is unlikely that penetration of the subject imports will increase to injurious levels.

We reach the same conclusion if the volume and market penetration of each country's imports are evaluated independently. On a noncumulative basis, each country's market share has remained low throughout the period of investigation. Although Chinese imports have increased, they still account for a small share of the market by both volume and value.³⁸ We do not find any likelihood that market penetration of Chinese imports will rise imminently to an injurious level. Rather, there has been a marked drop in imports from

³⁴ See, e.g., Report at A- 69, Table 20 (China). The data for India and Thailand is business proprietary.

³⁵ Report at A-72, Table 23.

³⁶ Report at A-84-85, Table 29.

³⁷ Report at A-77-79, Table 27; A-83-85, Tables 28 & 29.

³⁸ Report at A-84-85, Table 29. See also Report at A-78-79, Table 27.

China during the first six months of 1991, in both absolute terms and as a share of total consumption.³⁹

A disaggregated evaluation of import penetration from the other countries shows that the quantity and value of imports from India and Taiwan remained the same or decreased slightly over the three-year period of investigation, and dropped significantly during the first six months of 1991.⁴⁰ Import market shares showed the same trends.⁴¹ Imports from Thailand decreased steadily throughout the period of investigation, by both quantity and value.⁴² This trend continued into the first half of 1991.

On a cumulative basis, there is no indication that subject imports will have depressing or suppressing effects on U.S. prices. Although there is evidence of underselling by the subject imports, the evidence does not demonstrate that the prices of the subject imports have depressed or suppressed domestic prices, or that they will do so in the future. Even in the face of underselling by the imports, prices of the domestic products generally increased during the period of investigation.⁴³

A noncumulative evaluation of potential pricing effects likewise shows that it is unlikely that Chinese, Indian, Taiwanese, or Thai imports will have depressing or suppressing effects on U.S. prices. For the only product category in which there is evidence of underselling by Chinese and Taiwanese imports, the U.S. price rose during the period of investigation, and in fact

³⁹ Report at A-83-85, Tables 28 and 29.

⁴⁰ Report at A-83-85, Tables 28 & 29.

⁴¹ Id.

⁴² Id.

⁴³ Report at A-95, Table 30.

remained above its initial period value throughout the investigatory period.⁴⁴ In addition, the domestic price for this product peaked during the same period in which there was underselling by the Chinese product, further undermining any suggestion that the underselling had depressing or suppressing effects on the competing domestic products.⁴⁵

For the three product categories in which there is evidence of underselling by the Indian imports, and for one of the product categories in which there is evidence of underselling by the Thai imports, the U.S. prices rose during the period of investigation.⁴⁶ The single record instance showing underselling of 1/2-inch diameter galvanized wire rope, by a Thai product during April-June of 1990, does not illustrate any type of casual relationship to the erratic domestic pricing of that product throughout the investigatory period.⁴⁷

Further, the record does not indicate that there have been sales lost to, or revenues reduced as a result of, steel wire rope imports from the subject countries, whether viewed independently or cumulatively with other subject imports. There were no lost sales or revenue allegations made involving China, India, Taiwan or Thailand, but Commission Staff contacted purchasers named in lost revenue allegations involving other countries subject to investigation. The exact responses to these contacts, concerning both lost

⁴⁴ See Report at A-105-108 & Table 34, and A-95, Table 30.

⁴⁵ Id.

⁴⁶ See Report at A-106 and 95, Table 30.

⁴⁷ See Report at A-95, Table 30, and A-107, Table 35.

sales and revenues, are business proprietary, but, generally, the allegations were not borne out.⁴⁸

Finally, the evidence does not demonstrate that the subject imports, whether evaluated cumulatively or independently, will adversely affect domestic research and development efforts.⁴⁹

CONCLUSION

Based on the information obtained in these final investigations, we determine that the domestic industry producing steel wire rope is not materially injured or threatened with material injury by reason of the subject imports from China, India, Taiwan, and Thailand.

⁴⁸ Report at A-114-115.

⁴⁹ See Report at A-62 (Table 17). The data reflecting domestic research and development expenses are business proprietary.

INFORMATION OBTAINED IN THE INVESTIGATIONS

INTRODUCTION

Institution

On February 4, 1991, the U.S. Department of Commerce (Commerce) published in the Federal Register (56 F.R. 4259) its preliminary determination that imports of steel wire rope¹ from India are being subsidized by the Government of India. Therefore, effective February 4, 1991, the Commission instituted final countervailing duty investigation No. 701-TA-305 (Final) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from India of steel wire rope that have been found by Commerce to be subsidized by the Government of India (56 F.R. 8217, February 27, 1991).²

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

<u>Country</u>	<u>Countervailing duty investigation No.</u>	<u>Antidumping investigation No.</u>
Argentina.....	(1)	731-TA-476 (Final)
China.....	(1)	731-TA-480 (Final)
India.....	701-TA-305 (Final)	731-TA-478 (Final)
Mexico.....	(1)	731-TA-479 (Final)
Taiwan.....	(1)	731-TA-481 (Final)
Thailand.....	(2)	731-TA-482 (Final)

See footnotes on following page--

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

² On Feb. 13, 1991, Commerce received and subsequently granted a request from petitioner to extend the due date for the final countervailing duty determination to coincide with the date of the final antidumping determination on the same product from India (56 F.R. 11406, Mar. 18, 1991). Therefore, in its notice of institution the Commission postponed establishing a schedule for the countervailing duty investigation until Commerce made its preliminary determination in the antidumping investigation.

--footnotes for tabulation from preceeding page.

¹ Not applicable.

² Thailand was subject to a countervailing investigation by Commerce, but since it is not a signatory to the GATT subsidies code and imports of the subject product from Thailand are not eligible for GSP treatment, Thailand is not entitled to an injury investigation under section 303 of the Act.

Notice of the institution of the Commission's final investigations, and of the public hearing to be held in connection therewith, was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and published in the Federal Register on May 1, 1991 (56 F.R. 20024). The hearing was held in Washington, DC, on July 9, 1991.

On May 13, 1991, Commerce published a notice in the Federal Register postponing its final determinations as to whether sales of steel wire rope from India, China, Taiwan, and Thailand had been made at LTFV (56 F.R. 21988).

Commission's Final Determinations

Following notices of final affirmative LTFV determinations by Commerce, the Commission unanimously determined on August 8, 1991, 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 of steel wire rope from Argentina and Mexico that have been found by Commerce to be sold at LTFV (56 F.R. 41565, Aug. 21, 1991).³

Commerce's Final Determinations

On September 11, 1991, Commerce published in the Federal Register (56 F.R. 46283) its final determinations that imports of steel wire rope from India and Thailand are being subsidized by the Governments of those countries, and that imports of steel wire rope from China, India, Taiwan, and Thailand are being, or are likely to be, sold in the United States at LTFV.⁴ The governing statutes require that the Commission's final determinations be made no later than 45 days after Commerce's final LTFV determinations, or by October 25, 1991.

BACKGROUND

These investigations result from petitions filed by counsel on behalf of the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers

³ A copy of the Commission's notice is presented in app. A.

⁴ Copies of Commerce's notices are presented in app. B.

on November 5, 1990. The petitions alleged that imports of steel wire rope from India, Israel, and Thailand⁵ are being subsidized by the governments of those countries, and that imports of steel wire rope from Argentina, Chile, India, Mexico, China, Taiwan and Thailand are being sold in the United States at LTFV, and that an industry in the United States is materially injured and threatened with material injury by reason of such imports. In response to that petition the Commission instituted countervailing-duty and antidumping investigations Nos. 701-TA-305 and 306, and 731-TA-476 through 482 (Preliminary) (55 F.R. 47145, Nov. 9, 1990).

On December 20, 1990, the Commission determined that there was a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from India of steel wire rope that were alleged to be subsidized by the Government of India. The Commission also determined that there was no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Israel of steel wire rope that were alleged to be subsidized by the Government of Israel.

With respect to the antidumping investigations, the Commission determined that there was a reasonable indication that an industry in the United States is threatened with material injury by reason of alleged LTFV imports of steel wire rope from Argentina, India, Mexico, China, Taiwan, and Thailand, and that there was no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of alleged LTFV imports of steel wire rope from Chile (56 F.R. 286, Jan. 3, 1991).⁶

REPORT FORMAT

This brief report is designed for use in conjunction with the Commission's report entitled Steel Wire Rope From Argentina and Mexico (USITC Publication 2410, August 1991), and provides information on the nature and extent of subsidies and sales at LTFV as found by Commerce in its final determinations. All other information relevant to these investigations with respect to the products, the U.S. industry, consideration of material injury, consideration of the threat of material injury, and consideration of the

⁵ Thailand is not a "country under the agreement" pursuant to section 701(b) of the Act, and effective July 1, 1990, imports from Thailand of steel wire rope are no longer duty free under GSP. Accordingly, the Commission did not conduct a countervailing duty investigation on steel wire rope from Thailand.

⁶ See Steel wire rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, and Thailand, USITC Pub. 2343, December 1990.

causal relationship between imports of the subject products and material injury, is presented in the aforementioned report.

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

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

Subsidies

INDIA

On September 11, 1991, Commerce published in the Federal Register its final determination that benefits that constitute subsidies within the meaning of the Tariff Act of 1930 are being provided to manufacturers, producers, or exporters in India of steel wire rope. Commerce determined that the following programs confer subsidies:

- o International Price Reimbursement Scheme (IPRS)
- o Pre-Shipment Export Loans
- o Post-Shipment Loans
- o Advance Licenses
- o Use and Sale of Additional Licenses
- o Cash Compensatory Support (CCS)

Estimated subsidy margins (in percent ad valorem) for Indian manufacturers/exporters of steel wire rope were calculated as follows:

	<u>Net subsidy</u>
Bombay Wire Ropes, Ltd.....	36.93
Usha Martin Industries Limited.....	19.21
South India Wire Rope, Ltd.....	42.03
Mohatta & Hectel Ltd.....	42.03
All others.....	36.93

THAILAND

Commerce has issued its final affirmative countervailing-duty determination and countervailing duty order, having found that countervailable benefits are being provided to manufacturers, producers, or exporters in Thailand of steel wire rope. Commerce determined that the following programs confer bounties or grants:

- o Short-Term Loans Provided under the Export Packing Credit (EPC) Program
- o Tax Certificates for Exports
- o Electricity Discounts for Exporters

The estimated net bounty or grant (in percent ad valorem) for Thai manufacturers/exporters of steel wire rope was calculated as follows:

	<u>Net bounty/grant</u>
Vivat Steel Wire Rope.....	De minimis
All others.....	0.56

Sales at LTFV

The following tabulation provides final dumping margins determined by Commerce for each of the foreign countries (and companies) that were subject to these investigations (in percent):⁷

<u>Country</u>	<u>Dumping margins</u>
Countries for which the Commission has rendered <u>final</u> negative determinations:	
Argentina.....	100.00 ¹
Mexico.....	45.11 ²
Countries for which the Commission has rendered <u>preliminary</u> affirmative determinations:	
China.....	47.54 ³
India:	
Usha Martin.....	De minimis
Bombay Wire Rope.....	65.60 ⁴
All others.....	65.60
Taiwan.....	16.07 ⁵
Thailand.....	54.12 ⁶

See footnotes on following page--

⁷ Commerce's period of investigation was June 1, 1990, through Nov. 30, 1990.

--footnotes for tabulation from previous page.

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

² Commerce based fair value comparisons on BIA because the principal producer of steel wire rope in Mexico, Gamesa, failed to correct deficiencies in its questionnaire response. U.S. price was based on petitioner's estimate, which utilized actual prices offered to U.S. distributors for several steel wire rope products, adjusted for overseas shipping, customs user fees, Mexican VAT, and U.S. inland freight; FMV was based on actual prices derived from price lists, adjusted by discounts, foreign inland freight, and VAT.

³ U.S. price was based on the C&F or c.i.f. packed price to unrelated purchasers in the United States. For FMV Commerce used BIA, which is based on petitioner's estimates of the market valuation of factors of production. BIA for FMV was used because virtually every element of the FMV portion of the questionnaire responses of two Chinese manufacturers/exporters was in error.

⁴ Commerce based fair value comparisons on BIA because Bombay Wire Rope withdrew its participation from the proceeding and its questionnaire response could not be verified. As BIA, Commerce used the highest margin alleged in the petition.

⁵ Commerce based fair value comparisons on BIA, which assigned to each of four respondents the average of all margins contained in the petition. Commerce used BIA because two respondents failed to fully and accurately respond to Commerce's initial and deficiency questionnaires, and because misreporting and inaccuracies in the responses of the two other respondents were so pervasive as to make the responses inherently unreliable.

⁶ Because the lone respondent in the investigation, Usha Siam, did not respond to Commerce's deficiency questionnaire, Commerce based fair value comparisons on BIA. U.S. price was based on petitioner's estimate, which utilized the average monthly Customs value for imports from Thailand. FMV was based on petitioner's estimate, which utilized actual prices derived from a comprehensive ex-factory price list of a Thai producer.

APPENDIX A

COMMISSION'S FEDERAL REGISTER NOTICE

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 731-TA-476 and 479
(Final)]

**Steel Wire Rope From Argentina and
Mexico**

Determinations

On the basis of the record ¹ developed
in the subject investigations, the

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

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

Background

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

The Commission transmitted its determination in these investigations to the Secretary of Commerce on August 15, 1991. The views of the Commission are contained in USITC Publication 2410 (August 1991), entitled "Steel Wire Rope from Argentina and Mexico: Determinations of the Commission in Investigations Nos. 731-TA-476 and 479 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations."

Issued: August 15, 1991.

By Order of the Commission:

Kenneth E. Mason,

Secretary.

[FR. Doc. 91-19977 Filed 8-20-91; 8:45 am]

BILLING CODE 7020-02-M

² The imported steel wire rope covered by these investigations consists of ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of stainless steel or brass plated wire. Such steel wire rope was previously provided for in item 642.16 of the former Tariff Schedules of the United States (TSUS).

[Investigation No. 731-TA-524
(Preliminary)]

Steel Wire Rope From Canada

Determination

On the basis of the record¹ developed in the subject investigation, the Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) (the Act), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Canada of steel wire rope, provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United States, that are allegedly sold in the United States at less than fair value (LTFV).²

Background

On June 28, 1991, a petition was filed with the Commission and the Department of Commerce by The Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of steel wire rope from Canada. Accordingly, effective June 28, 1991, the Commission instituted preliminary antidumping investigation No. 731-TA-524.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of July 5, 1991 (56 FR 30765). The conference was held in Washington, DC, on July 18, 1991, and all persons who timely requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in this investigation to the Secretary of Commerce on August 12, 1991. The views of the Commission are contained in USITC Publication 2409 (August 1991), entitled "Steel Wire Rope from Canada: Determination of the

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

² The imported steel wire rope covered by this investigation consists of ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of stainless steel or brass plated wire. Such steel wire rope was previously provided for in item 642.16 of the former Tariff Schedules of the United States (TSUS).

Commission in Investigation No. 731-TA-524 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation."

Issued: August 12, 1991.

By Order of the Commission:

Kenneth E. Mason,

Secretary.

[FR Doc. 91-19978 Filed 8-20-91; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

COMMERCE'S FEDERAL REGISTER NOTICES

International Trade Administration**[A-570-809]****Final Determination of Sales at Less Than Fair Value: Steel Wire Rope From the People's Republic of China****AGENCY:** International Trade Administration, Import Administration, Commerce.**EFFECTIVE DATE:** September 11, 1991.**FOR FURTHER INFORMATION CONTACT:** Edward Easton, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1777.**Final Determination**

The Department of Commerce ("the Department") determines that imports of steel wire rope from the People's Republic of China ("PRC") are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The estimated weighted-average margin is shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

We published the preliminary determination on April 22, 1991 (56 FR 16319). In response to a request from respondent that we postpone the final determination pursuant to 19 CFR 353.20(b)(1), on May 13, 1991, we postponed the final determination until September 4, 1991 (56 FR 21988). We verified the questionnaire response from May 16 through May 30, 1991.

On May 28, 1991, the Department received a request from petitioner to exclude stainless steel wire rope from the scope of this investigation. On June 10, 1991, the Department solicited comments from interested parties regarding petitioner's request. On July 9, 1991, we published notices in the investigations of steel wire rope from Argentina and Mexico excluding stainless steel wire rope from the scope of those investigations. See Final Determination of Sales at Less Than Fair Value: Steel Wire Rope from Mexico (56 FR 31098, July 9, 1991).

Petitioner and respondent submitted comments in case briefs on August 5, 1991, and in rebuttal briefs on August 12, 1991.

Scope of the Investigation

The product covered by this investigation is steel wire rope. Steel

wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire. Excluded from this investigation is stainless steel wire rope, *i.e.*, ropes, cables, and cordage, other than stranded wire, of stainless steel, not fitted with fittings or made up into articles, which is classifiable under Harmonized Tariff Schedule (HTS) subheading 7312.10.6000.

Steel wire rope is currently classifiable under HTS subheadings 7312.10.90.30, 7312.10.90.60, and 7312.10.90.90. Although HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation (POI) is June 1, 1990, through November 30, 1990.

Fair Value Comparisons

To determine whether sales of steel wire rope from the PRC to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified below. In determining FMV, we used the best information available (BIA). Since the only BIA data available related to bright steel wire rope, we have limited comparisons to bright steel wire rope.

United States Price

In calculating USP, the Department used purchase price, as defined in section 772 of the Act, because the steel wire rope was sold to unrelated purchasers in the United States prior to importation into the United States and because exporter's sales price methodology was not indicated by other circumstances. Purchase price was based on the C&F or CIF, packed price to unrelated purchasers in the United States. We made deductions for charges incurred for ocean freight and marine insurance.

Since the goods exported from the PRC to the United States were, for the greatest part, transported aboard market-economy carriers, we based the deduction for ocean freight on the charges reported by respondent.

Foreign Market Value

For FMV, we have used BIA. (See "Doc Position" to Comment 1 in the "Interested Party Comments" section of this notice.) As BIA, we have based FMV on petitioner's estimate of FMV for bright steel wire rope, as contained in the November 16, 1990 supplement to the petition.

Verification

As provided in section 776(b) of the Act, we verified respondent's information used in making our final determination. We used standard verification procedures, including examination of relevant accounting records and original source documents provided by respondent.

Interested Party Comments

Given the Department's use of BIA for FMV, comments regarding aspects of FMV other than BIA are moot, and have not been addressed in this notice.

Comment 1

Petitioner argues that dumping margins should be determined on the basis of only the information it provided. It concludes that this action is warranted because: (1) Virtually all of the information provided in the questionnaire response concerning FMV changed at verification; (2) much of the information relating to the U.S. sales changed at verification; and (3) respondent did not report all U.S. sales during the POI.

Respondent contends that all revisions to its response were minor, that its submissions were provided in a timely manner in the form requested, and that acceptance of minor revisions is consistent with the Department's practice. Moreover, respondent argues that its adjusted data were verified, and that the calculation of FMV should be based upon the information provided by the verified factories. Finally, respondent claims that the portions of the response regarding U.S. sales were accurate and complete, and verified as such.

DOC Position

We agree with petitioner in part. The Department's verification of FMV was conducted at two factories, Jiangyin Steel Wire Rope Factory and Zhangjiagang Wire Rope Factory. Virtually every element of the FMV portion of the questionnaire response was in error. The purpose of the Department's verification is to establish the reliability of the response, not to create a new one. In these circumstances, the Department is obligated to reject respondent's FMV data. As the Department stated in the Final Determination of Sales at Less Than Fair Value: Photo Albums and Filler Pages from Korea (50 FR 43754, October 29, 1985), "[i]t is the obligation of respondents to provide an accurate and complete response prior to verification so that the Department may have the opportunity to fully analyze the

information and other parties are able to review and comment on it. The purpose of verification is to establish the accuracy of a response rather than to reconstruct the information to fit the requirements of the Department."

The Department has discretion to determine which information to use as BIA based on their circumstances of each case. In determining the appropriate BIA, 19 CFR 353.37(b) permits the Department to consider the respondent's efforts to comply with the Department's requests. In this case, respondent's attempts to cooperate with the Department's requests for information, in combination with the minor nature of the corrections necessary for the USP data, make it appropriate to accept the USP portion of the questionnaire response.

Finally, information on the record does not support petitioner's contention that respondent did not report all U.S. sales during the POI.

Comment 2

Petitioner argues that the ocean freight adjustment should be based on charges actually incurred, despite respondent's claim that certain charges were erroneous. Respondent replies that it was overcharged on certain contracts and is expecting a refund, and therefore that the adjustment should be based on expenses net of the refund.

DOC Position

We agree with petitioner. Respondent's expectation of a refund can only be seen as speculative.

Continuation of Suspension of Liquidation

In accordance with section 733(d)(1) of the Act, we are directing the United States Customs Service to continue to suspend liquidation of all entries of steel wire rope from the PRC that are entered, or withdrawn from warehouse, for consumption on or after April 22, 1991, the date of publication of the preliminary determination in the Federal Register. The Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amounts by which the FMV of steel wire rope from the PRC exceeds the USP, as shown below. Given the exclusion of stainless steel wire rope from the scope of this investigation, we will instruct the U.S. Customs Service to terminate the suspension of liquidation on that merchandise and to refund any cash deposits or release any bonds now posted on such merchandise. The suspension of liquidation on all other

steel wire rope will remain in effect until further notice. The margin is as follows:

Manufacturer/producer/exporter	Margin percentage
All Manufacturers, Producers, and Exporters.....	47.54

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. If the ITC determines that material injury, or threat of material injury, does not exist with respect to steel wire rope, the proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or canceled. However, if the ITC determines that such injury does exist, the Department will issue an anti dumping duty order directing Customs officials to assess antidumping duties on all steel wire rope from the PRC, entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)) and 19 CFR 353.20.

Dated: September 4, 1991.

Eric I. Garfinkel,
Assistant Secretary for Import Administration.

[FR Doc. 91-21835 Filed 9-10-91; 8:45 am]

BILLING CODE 3510-05-M

(A-533-801)

Final Determination of Sales at Less Than Fair Value: Steel Wire Rope From India

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: September 11, 1991.

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

Final Determination

The Department of Commerce (the Department) determines that imports of steel wire rope from India are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735(a) of the Tariff Act of 1930,

as amended (the Act). The estimated margin is shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

We published an affirmative preliminary determination on April 22, 1991 (56 FR 16323). On May 14, 1991, Bombay Wire Rope, Ltd. (BWR), one of the two designated respondents in this investigation, informed the Department that it would no longer participate in the proceeding. On May 13, 1991, the Department published a notice extending the final determination date, until September 4, 1991, at the request of respondent Usha Martin Industries, Ltd. (UMIL).

On May 28, 1991, the Department received a request from petitioner to exclude stainless steel wire rope from the scope of this investigation. On June 10, 1991, the Department solicited comments from interested parties regarding petitioner's request. On July 9, 1991, we published notices in the investigations of steel wire rope from Argentina and Mexico excluding stainless steel wire rope from the scope of those investigations. See Final Determination of Sales at Less Than Fair Value: Steel Wire Rope from Mexico (56 FR 31098, July 9, 1991).

On June 17-21, 1991, the Department conducted verification of UMIL's responses in Calcutta and Ranchi, India. Because the Department did not receive a timely request for a hearing by interested parties, no hearing was held in this investigation. On July 24, 1991, and July 31, 1991, petitioner and UMIL submitted case and rebuttal briefs, respectively.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire. Excluded from this investigation is stainless steel wire rope, i.e., ropes, cables and cordage, other than stranded wire, of stainless steel, not fitted with fittings or made up into articles, which is classifiable under Harmonized Tariff Schedule (HTS) subheading 7312.10.6000.

Steel wire rope is currently classifiable under HTS subheadings 7312.10.9030, 7312.10.9060, and 7312.10.9090. Although HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Period of Investigation.

The period of investigation (POI) is June 1, 1990, through November 30, 1990.

Such or Similar Comparisons

We have determined that all of the steel wire rope covered by the scope of the investigation constitutes one such or similar category. Product comparisons were made on the basis of the following criteria: (1) Type of steel wire; (2) diameter; (3) core type; and (4) class/construction.

Fair Value Comparisons

To determine whether sales of steel wire rope from India to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV) for UMIL, as specified below. For BWR, the respondent which withdrew its participation from this proceeding, we used the best information available (BIA) as required by section 776(c) of the Act.

Best Information Available

BWR withdrew its participation from this proceeding after the preliminary determination. This withdrawal precluded the Department from verifying BWR's questionnaire responses; therefore, the Department could not rely on the information contained in these responses for rendering a final determination. As BIA, we used 65.6 percent, the highest margin alleged in the petition. (See DOC Position to Comment 1.)

United States Price

For UMIL, we based USP on purchase price, in accordance with section 772(b) of the Act, because all sales were made directly to unrelated parties prior to importation into the United States and because exporter's sales price methodology was not indicated by other circumstances.

We calculated purchase price based on packed c.i.f. prices to unrelated customers in the United States. We made deductions, where appropriate, for discounts, foreign inland freight, foreign insurance, foreign brokerage, and ocean freight, in accordance with section 772(d)(2) of the Act. Pursuant to section 772(d)(1)(B) and (C) of the Act, we also made adjustments, where appropriate, for rebates of indirect taxes, indirect taxes not collected on export sales, and duty drawback.

When there is a companion countervailing duty proceeding on the merchandise subject to an antidumping proceeding, the Department limits adjustments to USP for the rebate of