

# U.S. Wire Rod Industry Reacts Favorably to President's Decision to Impose Import Relief

February 11, 2000

Washington, DC—U.S. producers of steel wire rod today reacted favorably to President Clinton's decision to impose import relief under Section 201 of the Trade Act of 1974, in response to a petition filed over one year ago by U.S. producers, the United Steelworkers of America AFL-CIO, and the Independent Steelworkers Alliance.

"The relief announced today should help an industry that has been devastated by an onslaught of wire rod imports that swelled to record levels in 1999," said Charles Owen Verrill, Jr., of Wiley, Rein & Fielding, counsel to the domestic industry petitioners. "Both workers and producers in the wire rod industry have suffered in these market conditions and are thankful that the President has finally acted. They now look forward to the improving market conditions that the President's action is intended to foster. The Administration's remedy should strengthen the industry's ability to serve its customers and benefit the U.S. economy," Verrill said.

"The U.S. industry appreciates the efforts of the steelworkers and over 100 elected officials who strongly supported the petition throughout this trade case," Verrill said.

The relief announced by the President will be in the form of a tariff-rate quota ("TRQ") for three years. The tariff rate will be 10 percent in the first year, 7.5 percent in the second year, and 5 percent in the third year. The tariff will be imposed on wire rod imports from countries subject to the TRQ once imports exceed 1.58 million net tons. That level will be increased by 2 percent in years two and three. Additional details will be spelled out in a Proclamation which has not yet been released. The relief will go into effect two weeks from issuance of the Proclamation.

## Practice Areas

International Trade  
World Trade Organization (WTO)

Section 201, also known as the safeguards law, is a WTO-consistent remedy that allows a country to provide temporary import relief to a domestic industry that is suffering serious injury, or threat of serious injury, due to increased quantities of imports. Today's action marks the first time in 17 years that a manufacturing industry has received relief under Section 201.

Steel wire rod is a hot-rolled, coiled steel product produced from semi-finished steel billets. Wire rod is sold to the wire industry and drawn into wire and wire products for hundreds of applications, including hangers, cables, fencing, springs and fasteners. Annual U.S. production of wire rod is approximately five million tons.

### **LIST OF PETITIONERS ON STEEL WIRE ROD CASE**

#### **Company Locations**

Birmingham Steel Corp. Birmingham, Alabama (headquarters)  
Cleveland, Ohio  
Memphis, Tennessee  
Convent, Louisiana

Connecticut Steel Corporation Wallingford, Connecticut

Co- Steel Raritan Perth Amboy, New Jersey

GS Industries, Inc. Charlotte, NC (headquarters)  
Georgetown, SC (Georgetown Steel)  
Kansas City, Missouri (GST Steel)  
Convent, Louisiana

Keystone Steel & Wire Co. Dallas, Texas (headquarters)  
Peoria, Illinois

North Star Steel Company Minneapolis, Minnesota (headquarters)  
Beaumont, Texas  
Kingman, Arizona

Northwestern Steel & Wire Co. Sterling, Illinois

Atlantic Steel Industries, Inc. Atlanta, Georgia

#### **Labor Unions**

United Steelworkers of America AFL-CIO (which represents workers at the following facilities that produce wire rod)

GS Industries, Inc.

Georgetown Steel (Georgetown, SC)

GST Steel (Kansas City, MO)

North Star Steel Texas (Beaumont, TX)

Northwestern Steel & Wire (Sterling, IL)

Ispat Inland Inc. (Burns Harbor, IN)

USS/KOBE Steel Co. (Lorain, OH)

Cascade Steel Rolling Mills (McMinneville, OR)

Rocky Mountain Steel Mills, Inc. (Pueblo, CO)

Independent Steel Workers Alliance

Keystone Steel & Wire (Peoria, IL)