

AWPA ANNUAL MEETING 2000

A Must For Your Calendar!

The AWPA Annual Meeting is shaping up to be one of the best ever! Members will gather February 13 - 16, 2000 at the Rancho Bernardo Inn in San Diego, California.

With the importance of the business community to any successful campaign, as well as the timing of the California primary, Democratic Presidential hopeful Bill Bradley is seriously considering our invitation to address the AWPA members. The AWPA meeting offers the candidate a unique forum to publicly give his views and concerns about the global economic climate.

Presenting the Republican side, attendees will hear from Kate O'Beirne, a political analyst who regularly appears on several talk shows and serves as the Washington Editor of the National Review. She will provide her insight on the status of the hotly contested races (both House and Senate), presidential contests, and the prospect for the Republican party to maintain control of the Congress after the next election.

An AWPA Annual meeting would not be complete without an expert look at the global economy. Topics that our speaker will cover include: the state of economic recovery in Asian and CIS countries; normal Trade Relations (NTR) for China, including the outlook for economic growth and consumption in that country; and how the failure of the World

Trade Organization (WTO) talks in Seattle will affect the world economy.

As an important part of the formal program, three wire rod suppliers will make presentations on their capabilities, capital improvements, and quality/pro-

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ductivity advances at their respective mills. This panel discussion will allow ample time for attendees to question the panelists about their operations.

In addition, should President Clinton make a decision in the Section 201 trade case that imposes some form of quota or tariff on wire rod imports, AWPA will arrange for a speaker from the US Customs Steel Monitoring Center (SMC) located at the Chicago Stra-

tegic Trade Center. SMC is responsible for monitoring steel imports; conducting research on steel import patterns; enforcing steel import laws; and handling antidumping and countervailing duty cases involving steel mill products.

On the more informal side, the Annual Meeting will include a golf tournament on the Rancho Bernardo Golf Course that offers 27 holes, each nine a par 30; a tennis tournament; and a fishing tournament.

For spouses, an exciting program has been arranged including a Pacific Gems tour at La Jolla - known as the "Jewel of the Sea" - and a hospitality event to start the program off right!

So, mark your calendars... send in your registration forms...make your hotel reservations...and get ready to start the new millennium with the premiere event for US wire producers. ■

EPA PROPOSES TO LOWER LEAD REPORTING THRESHOLD

In a move that could have serious negative repercussions on businesses nationwide, the US Environmental Protection Agency (EPA) has proposed to lower the reporting thresholds (from 25,000 lbs. to 10 lbs. per year) for lead and lead compounds subject to reporting under

section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA). This change would require all wire producing companies using more than 83 tons of steel per year to start reporting for lead. EPA is also proposing

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WTOMINISTERIALABUST!

The Seattle World Trade Organization (WTO) Ministerial meeting was controversial even before it started - and then continued on a downhill slide, resulting in a large public relations disaster for the US. Many trade experts and economists agree that the failure in Seattle could usher in a period of trade friction and cause the already high US trade deficit to climb. They also predict that any further liberalization of the world's trading rules will have to wait at least two years, until after a new US president and Congress have been elected, and a new governance structure put in place at the WTO headquarters in Geneva.

The meeting began with conflicts over the agenda. Many countries demanded that anti-dumping laws be discussed. Japan, Mexico, South Korea and Brazil, in particular, loathe US antidumping laws. The US, standing alone among

the member countries, refused to budge. Many of the delegates, especially from poorer countries, also objected to Clinton's suggestions on child labor protections, the environment and other matters, which they contended would strip them of their main trade bargaining chip - low wages. The President also made references to his support of "sanctions" against countries which do not comply with high labor and environmental standards, taking his economic staff members by surprise.

These disagreements, in conjunction with the massive riots and demonstrations occurring in Seattle, broke down the negotiations and prevented any agreements being reached on future negotiations.

Scrambling to recover from the WTO disaster, Clinton and European Union leaders recently endorsed a plan

to push quickly for the new round of global trade talks. The President also stated that the US will not wait until after the November presidential elections to initiate talks.

On the brighter side, we can be assured that the next US president is likely to be a free trader, as all the leading contenders have stated their support for more open markets. In addition, a growing group in Congress, called the New Democrat Coalition (NDC), are strong advocates of trade expansion. Five Coalition members - Cal Dooley (CA), Jim Moran (VA), Jim Davis (FL), Anna Eshoo (CA) and Adam Smith (WA) - were all given A+ grades on international trade votes last year. NDC priorities for this year include passage of the Africa Trade bill and permanent NTR status for China (see related story on page 3).

[EPA Proposes . . . continued from page 1](#)

to eliminate the de minimis exemption granted to many AWPA members and their customers, which excuses them from these cumbersome reports.

Although actual costs vary greatly among companies, it is estimated those not currently filing for lead could have to expend upwards of \$40,000 to conduct the necessary analysis in order to comply. As a result, AWPA began an aggressive effort to get member companies to submit comments to EPA outlining their concerns with this proposed rule.

Despite very short notice from EPA, approximately 20 facilities sent in comments opposing the rule, refuting many of EPA's budgetary and compliance cost

estimates. In addition, six companies sent representatives to the three public hearings held for companies and organizations to give their views. AWPA thanks each of these companies for their efforts on behalf of the industry.

AWPA also submitted detailed comments on the devastating effects this rule would have on the US wire producing industry as a whole. Association representatives will also be meeting with Senate staff members to discuss legislative means of fighting this proposed regulation, if necessary. Finally, AWPA will continue to monitor this issue through a coalition organized by the Lead Industries Association to fight this proposal and report back to the membership on any important developments. ■

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AWPA would like to extend a special note of thanks to those companies who submitted comments and participated in the public hearings. We are well aware of your busy schedules, coupled with the short notice given to respond to this proposed rule, and very much appreciate your time and effort. This participation was specifically noted by the EPA economist in an informal conversation after the public hearing in Washington, DC with the AWPA Director of Government Affairs. Hopefully our efforts will lead to positive changes in the final rule.

CHINA & US MOVE A STEP FURTHER IN TRADE NEGOTIATIONS

After 13 years of off-and-on negotiations, China and the US finally reached an agreement to bring China into the World Trade Organization (WTO). China's entry required its leaders to agree to market opening and reform measures that, if implemented, would further tear down government control of its economy.

One highlight of particular interest to wire producers: US companies will have the right to sell, distribute and market industrial goods, including steel, without having to go through a Chinese middleman, as is now necessary. The benefits of improved economic relations between the world's most populous nation and its most powerful one would be enormous for US firms.

Before China can officially become a WTO member, the US Congress must approve permanent Normal Trade Relations (NTR) with China. House Ways and Means Trade Subcommittee Chairman Phil Crane (R-IL) predicted that the measure will pass. Additionally, many key aides and members on Capitol Hill say the odds are excellent that the House will approve permanent NTR status for China early next year.

However, there is increasing, and more organized, opposition mounting, leading to others predicting a closer fight in the House. Even Bob Matsui (D-CA), the point man for the White House on this issue, stated, "Even if most Republicans back the business-supported effort to open the Chinese market to American goods and services, it will be tough to produce enough Democratic votes to pass the measure." Other Congressional trade leaders acknowledged that a more negative image of the WTO following the Seattle meeting could make it harder to pass the measure.

Adding another hurdle into the process, House Ways and Means Chairman Bill Archer (R-TX) suggested that the

NTR vote should come only after the WTO accession package is completed. He added, "It would be presumptuous to have the vote before the various bilateral agreements between China and other WTO members and details of the US-China accord are wrapped up." At least 24 of the WTO's 135 members, notably the European Union, have yet to agree on entry terms with China. The WTO also has to assess whether China complies with its rules in areas such as intellectual property, and China will need to amend its laws where necessary.

Leading the fight against the bill are the unions, including the United Steelworkers of America. Saying that American jobs are at stake, labor leaders have already launched an all-out attack on the agreement. Labor will be joined by environmentalists, human rights groups and consumer advocates in the fight.

SMALL BUSINESSES DRIVING EXPORTS

U.S. Small Business Administrator Aida Alvarez released new data that show small businesses are going global in a big way. Small businesses now account for almost a third of all US export sales.

- Nearly 97% of US firms which export are small businesses.
- Small businesses account for nearly 31% of total US export sales, from 26% in 1987.
- The number of small firms that export has tripled over the last decade.
- In the past five years, the value of small business exports has increased 300%.
- Very small companies - those with fewer than 20 employees - made up 65% of all US exporting firms in 1997. ■

As a result, the White House has declared this vote one of its highest priorities for next year. President Clinton, who predicted that NTR would pass the Congress, has declared himself completely committed to getting it done. Administration officials have begun fanning out across the country to convince grassroots America that freer trade is an opportunity, not a threat. Commerce Secretary William Daley has also been urging the business community to get active in its campaign to convince Congress to pass the bill.

The US Chamber of Commerce and the National Association of Manufacturers are committed to the free-trade awareness campaign and support for permanent NTR status for China. ■

NEW ITC MEMBER CONFIRMED

Deanna Tanner Okun was confirmed to be a new member of the US International Trade Commission, for a term expiring June 16, 2008. She replaces Commissioner Carol Crawford.

Ms. Okun recently served as Counsel for International Affairs to Senator Frank Murkowski (R-AK), and handled international trade issues. She also was responsible for international energy and foreign relations issues for the Senator. Prior to this appointment, she practiced international trade law at the Washington, DC law firm of Hogan & Hartson. Earlier in her career, Ms. Okun was a research associate specializing in trade at the Competitive Enterprise Institute in Washington, DC.

The new Commissioner received her JD from the Duke University School of Law in 1990, and her BA from Utah State University. ■

PENDING INTERNATIONAL TRADE CASES - STATUS TABLE

Case Type	Country(ies)	Products	Status	Govt. Entity	Final Decision Due Date
Anti-dumping	Korea, Spain, Sweden, Italy	Stainless steel wire rod	Initiation of administrative review	ITC	Sept. 30, 2000
Anti-dumping	Canada, Germany, Romania	Stainless steel plate	Initiation of administrative review	ITC	Sept. 30, 2000
Countervailing	Germany	Stainless steel plate	Initiation of administrative review	ITC	Sept. 30, 2000 (review results)
Anti-dumping	Argentina, Japan, Thailand	Cold-rolled, flat-rolled carbon-quality steel	Preliminary determination of injury by ITC; dumping margins preliminarily determined: Argentina, 24.53%; Japan, 53.04%, Thailand, 67.97%	Commerce	Jan. 20, 2000 (final determination)
Anti-dumping	Japan	Stainless steel plate	Initiating preliminary phase	ITC	Dec. 17, 1999 (preliminary determination)
Anti-dumping	India	Stainless steel bar	Extension of time limit for final results of new shipper review	Commerce	Jan. 15, 2000
201 case	All countries	Steel line pipe	Voted 5-1 that industry had been injured or was threatened with injury from foreign imports. Remedy recommendation: Miller, Hillman, Koplman-quotas for four-year period after 151,124 short tons during first year, and 10% increases annually; Bragg, Askey-addl. Duties of 12% ad valorem in first year, 9.5% third year, and 8% fourth year.	ITC	President must now make remedy decision
Anti-dumping	Japan	Stainless steel sheet products	Preliminary phase	ITC	Dec. 20, 1999 (preliminary determination)
Countervailing	Turkey	Welded carbon steel pipes/tubes	Preliminary determination: revocation of duty order would lead to recurrence of subsidy at 2.9% rate	Commerce	March 28, 2000 (final review results)
Anti-dumping	Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, Venezuela	Cold-rolled steel products	Scheduling of final investigation phase	ITC	Jan. 20, 2000 (hearing)
Countervailing	Brazil	Cold-rolled steel products	Scheduling of final investigation phase	ITC	Jan. 20, 2000 (hearing)
Countervailing	France	Certain steel products	Final determination: subsidy rate is 15.13% ad valorem	Commerce	DONE
Antidumping/sunset review	India, Turkey, Taiwan, Thailand	Welded carbon steel pipes/tubes	Final results: revocation of duty order would lead to recurrence of dumping at 7.08% margin (India); 14.74% (Turkey); 9.7% (Taiwan); 15.67% (Thailand)	Commerce	DONE
Antidumping/sunset review	Taiwan, Argentina	Welded carbon steel tubing	Final results: revocation of duty order would lead to recurrence of dumping at 29.15% margin (Taiwan); 56.26% (Argentina)	Commerce	DONE
Antidumping/sunset review	Brazil, Korea, Mexico, Taiwan, Venezuela	Welded non-alloy steel pipe	Final results: revocation of duty order would lead to recurrence of dumping at	Commerce	DONE

			103.38% margin (Brazil); 4.80% (Korea); 32.62% (Mexico); 23.56% (Taiwan); 52.51% (Venezuela)			
Antidumping/ sunset review	Brazil, Taiwan, Japan, Thailand, China	Carbon steel butt-weld pipe fittings	Final results: revocation of duty order would lead to recurrence of dumping at 52.25% margin (Brazil); 49.46% (Taiwan); 62.79% (Japan); 39.10% (Thailand); 182.90% (China)	Commerce	DONE	
Antidumping	UK	Hot-rolled lead and bismuth carbon steel	Preliminary administrative review results: dumping occurred at 3.01% margin	Commerce	Mar. 7, 2000 (final review results)	
Antidumping	Venezuela	Hot-rolled flat-rolled carbon-quality steel products	Preliminary determination: dumping occurred at 42.93% margin	Commerce	Jan. 30, 2000 (final determination)	
Antidumping	Mexico	Carbon steel wire rope	Extension of time limit for preliminary results of new shipper review	Commerce	Mar. 30, 2000	
Antidumping	Japan	Circular seamless stainless steel hollow products	Preliminary determination: dumping has occurred	Commerce	Date to be announced later (preliminary determination)	
Antidumping	Argentina	Carbon steel wire rod	Preliminary administrative review results: dumping has occurred at 2.63% margin	Commerce	Feb. 19, 2000 (final review results)	
Antidumping	Brazil, Russia, South Africa	Cold-rolled flat-rolled carbon-quality steel products	Preliminary determination: dumping has occurred at 42.97% margin (Brazil); 177.59% (Russia); 16.65% (South Africa)	Commerce	Jan. 25, 2000 (final determination)	
Antidumping	Korea	Steel wire rope	Extension of time limit for preliminary administrative review results	Commerce	Mar. 30, 2000	
Antidumping	India	Stainless steel bar	Extension of time limit for administrative and new shipper reviews	Commerce	Feb. 28, 2000	
Antidumping	Japan	Stainless steel bar	Preliminary administrative review results: dumping has occurred at 1.72% margin	Commerce		
Antidumping	Japan	Stainless steel sheet	ITC voted, 5-0, to continue investigation, finding a reasonable indication dumping had occurred	Commerce	Apr. 5, 2000 (preliminary determination)	
Antidumping	Taiwan	Stainless steel pipe	Preliminary administrative review results: dumping has occurred at 0.04% margin	Commerce	Mar. 22, 2000 (final review results)	
Antidumping	Korea	Stainless steel pipe	Extension of time limits for preliminary administrative review results	Commerce	Dec. 20, 1999	
Antidumping/ Sunset review	Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, UK	Certain carbon steel products	Will proceed with full five-year reviews	ITC	Schedule to be established and announced at later date.	
Antidumping	Taiwan	Certain circular welded carbon steel pipes and tubes	Final administrative review results: dumping occurred at 14.08% margin	Commerce	DONE	
Antidumping	Mexico	Circular welded non-alloy steel pipe and tube	Preliminary administrative review results: dumping has occurred at 10.38% margin	Commerce	Mar. 9, 2000 (final review results.)	

LEGISLATIVE

■ AFRICA TRADE BILL

The lobbying has begun early on this trade bill. Already the Ferralloy Association has begun vocalizing against its passage, arguing that provisions allowing for an automatic waiver providing duty-free imports of various materials from the region would hurt the industry. The domestic steel industry also has expressed concerns that the bill will provide preferential trade treatment for mature competitors, but has not yet started active lobbying against it.

However, the bill still has strong bipartisan congressional and administration support, almost guaranteeing passage in the spring.

■ NEW TAX BREAK BILL

Companies that benefit from international trade could get a federal tax break by setting up employee stock option plans under a proposal being introduced by Senator Ron Wyden (D-OR). Companies could get a one-time deduction of \$250,000, the cost to set up the plans. Companies could start the plan only after the Commerce Department concluded that trade helped boost the gross domestic product.

Employees would be eligible for up to \$2,000 under what Wyden calls "trade bonuses" and would not have to pay capital gains taxes on the proceeds. The Senator plans to formally introduce his plan as a bill in Congress early this year.

■ PATIENTS' BILL OF RIGHTS

The House Speaker J. Dennis Hastert (R-IL) stated, "Patients' access to health care is something that I've worked

on for 10 years. We're going to make that happen this year, and it's going to be part of a reform process in health care."

However, business leaders are beginning a grassroots campaign designed to support members of Congress who opposed the bill in the past. The effort will zero in on moderate Republican senators - especially those up for re-election - who did not sign onto the Democratic bill. The goal is to generate vocal insistence by small and large business chiefs - as well as their workers - that a right to sue would cause health care costs to rise and swell the ranks of the uninsured.

■ MINIMUM WAGE INCREASE

Some form of an increase in the minimum wage is expected to be approved, possibly in conjunction with the bankruptcy bill, during this second half of the Congressional session. Business lobbyists have already stated their intention to make sure the increase is accompanied by tax breaks for businesses. The Speaker of the House has predicted that a proposed \$1-an-hour increase will be one of the first things voted on. Mr. Hastert added that he supports the increase, but only if it is offset by substantial tax relief for businesses.

■ ELECTRICITY DEREGULATION

Both the House Commerce and Senate Energy and Natural Resources Committees have indicated they will make federal electricity deregulation a priority this year. The Senate Committee plans to have a series of hearings on the issue early in 2000. The House Commerce Chairman Thomas Bliley (R-VA) has indicated he will probably revamp the

Barton bill before moving it forward.

The number of states with electric deregulation initiatives underway has more than doubled during the past two years, with most of the restructuring coming from states with relatively high electricity rates. A new study found that 24 states have enacted legislation or issued regulatory orders on electric industry restructuring, up from 10 states in 1997. The increased activity at the state level has increased pressure on the federal government to pass major deregulation legislation.

REGULATORY

■ OSHA ERGONOMICS RULE

The Occupational Safety and Health Administration (OSHA) took the first step to require many employers to provide work spaces and equipment to support the physical makeup of each individual doing his job, a proposal that could cover an estimated 27 million people who work at computers, on assembly lines or at other jobs that require either repetitive motions or heavy lifting.

The proposal has two parts. The first requires all manufacturers and companies that have workers who do manual lifting to have a program identifying ergonomic issues and teaching employees what to watch for. The program would require employers to designate someone to oversee ergonomics, inform workers about the risks and signs of injuries, and institute a system for employees to report such problems.

The second part covers any employer that has a worker who reports an ergonomic injury. Once that happens, the employer would have to improve the conditions in that portion of the work-

place. Companies could do such things as adjusting workstations, changing the height of an assembly line, rotating jobs, slowing the pace of work, or buying equipment, such as conveyors, to mitigate strains from lifting.

Employers who have numerous injuries reported by their employees would need more extensive programs, including training employees, analyzing the problem, putting a fix in place, providing medical help, and monitoring the situation for three years.

Employers would also have to offer injured and recovering workers put on "light" duty full pay and benefits, and 90% pay and full benefits if they cannot come to work. That protection lasts for six months under the proposal.

OSHA estimates that, on average, it will cost \$150 a year to fix a particular problem with a workstation. Overall, implementing and enforcing the program would cost \$4.2 billion annually, the agency estimates. About 1.9 million work sites are expected to be covered by the standard when it becomes final.

Business groups counter the costs will be much higher - an estimated \$4.2 billion in annual costs to fix job sites and pay workers recovering from injuries. The Small Business Administration estimates it will cost as much as \$18 billion.

The proposed standard was introduced after almost eight years of intense opposition from business and some Members of Congress, who insist no rule should be issued until there is scientific evidence that "ergonomic" problems at work cause these injuries.

OSHA was forced to pull back from issuing its proposal three times since 1995 when lobbyists succeeded in getting language inserted into several pieces of legislation that barred OSHA from

issuing the rule. Even this year, the House had voted to put another hold on the rules, but the Senate adjourned for the year without passing similar legislation. As a result, after lawmakers left town, OSHA took advantage of this slip and quickly rolled out its proposal.

Senator Christopher Bond (R-MO), chairman of the Senate Committee on Small Business, has stated his opposition to the proposal. "Small business and their workers will be severely impacted by this regulation if it goes into effect as proposed," he stated in a press release. He added that "I am very concerned that many people will lose their jobs and small businesses be forced to close if this rule is finalized."

Congressman Jim Talent, Chairman of the House Small Business Committee, plans to vigorously fight the agency as it seeks public input on the rules.

The National Association of Manufacturers has already stated it will sue to block the program if it is finalized. The organization's spokesman stated, "OSHA's all cost, no benefit rule leaves no recourse but to pull out all the stops and use the force of our membership to block the agency's unworkable and expensive regulation. Our first order of business is to convince OSHA to extend the public comment period." Also joining in the fight is the National Federation of Independent Business that will create a grassroots campaign against OSHA's proposed ergonomics rule.

OSHA expects to issue a final rule sometime next year, though that is an ambitious timetable for a proposal that has a 1,000-page preamble. OSHA is taking comments on the proposal until Feb. 1, and will hold three public hearings for interested parties. ■

CLINTON SIGNS EXECUTIVE ORDER ON TRADE AGREEMENTS

President Clinton recently signed an executive order that will require all trade agreements to undergo an environmental review. The order requires the US to factor environmental considerations into the development of its trade negotiating objectives. Responsible agencies will accomplish these goals through a process of ongoing assessment and evaluation, and, in certain instances, written environmental reviews. These reviews would identify potential environmental effects of trade agreements, both positive and negative, and help facilitate consideration of appropriate responses to those effects whether through negotiations or other means, as applicable.

The US Trade Representative and Chair of the Council on Environmental Quality will oversee the implementation of this order. ■

WIRELINETOGETHER AFACELIFT

You might notice a change in the next issue of WireLine. In an effort to improve its readability, the publication will be slightly revamped and redesigned.

As always, comments from our readers are most welcome and appreciated. ■

AWPACALENDAROFEVENTS

Event	Dates	Location
AWPA ANNUAL MEETING	February 13-16, 2000	Rancho Bernardo Inn, San Diego, CA
OPERATIONS STEERING COMMITTEE MEETING	March 2, 2000	Radisson Hotel St. Louis St. Louis
WIRE 2000	April 3-7, 2000	Dusseldorf, Germany
OPERATIONS MANAGERS MEETING	May 21-23, 2000	The Hilton Charleston North Hotel Charleston, SC Host Tours: Insteel Wire Products & GS Industries Andrews/ Georgetown, SC
AWPA FALL MEETING	September 27-29, 2000	Capital Hilton Washington, DC
AWPA ANNUAL MEETING	February 7-10, 2001	Rancho Las Palmas Rancho Mirage, CA

WireLine

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WireLine

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