determinations to the President,[181] who may consider either of them.[182] In safeguard actions, the President has complete discretion for choosing which course of action to consider.

Pursuant to the NAFTA Implementation Act, the ITC had to make a finding with respect to wire rod imports from Canada. Because the ITC was equally divided on whether there was serious injury, only three Commissioners made recommendations. Two of them made a negative finding with respect to imports of wire from Canada and Mexico. The other made a negative finding for Mexico only and recommended that wire rod imports from Canada be included.

The ITC determined that the U.S. wire rod industry was experiencing serious injury or threat thereof. After finding a significant increase in imports, both in actual and relative terms, the ITC went on to determine whether there was injury to U.S. producers. Various factors relevant to industry performance were negative. During the period of review (1994–1999), the industry had experienced massive changes in market conditions. Production of wire rod had climbed during the first part of the period and then declined. Capacity utilization had also declined and there was evidence of significant idling of productive capacity during the period. There was also evidence that a large number of domestic producers had been unable to operate profitably in 1998. The ITC made a positive injury finding because of the recent declines in production, capacity utilization, profits, employment and capital expenditures.

Next, the ITC had to determine whether the increased imports were both an important cause of serious injury and no less important than any other cause. It explored various other causes, including market prices of steel, raw material costs and start-up costs for increasing domestic capacity. However, none were found to be more important for injury than the increase in imports and the increase in domestic market share of imports.

With respect to remedy, the ITC issued two recommendations to the President. Both called for imposition of a four-year tariff rate quota system on imports of wire rod. The difference was that one recommendation did not include Canada in the relief action, while the other did.

On February 11, 2000, President Clinton accepted the ITC recommendation and announced import relief action, in the form of tariff rate quotas, for a three-year period. The tariff rate quotas, to be liberalized in successive years, were to remain in place for three years. Furthermore, President Clinton accepted the ITC recommendation that Canadian imports should be exempted from the tariffs. Imports would face an additional tariff of 10% during the first year after exceeding 1.58 million tons. In the second and third years of the action, the annual quantity of imports exempt from the tariff would increase by 2% and the level of additional tariff would decline by 2.5 percentage points per year.

181 § 300 (d) (3).

182 § 330 (d) (1).