had increased by 50% during the period under review. Demand had been declining since the 1940s but had stabilized to some degree during the period under review. However, economic indicators from 1996 onward showed a decline in domestic market share, production, number of lamb-growing establishments and prices. There were some mixed indicators as well. Capacity had declined early in the period but then rose near its end, and productivity remained relatively constant for feeders and growers. Lamb sales had both increased and decreased throughout the period, and industry-wide profits were very low. The ITC found that the industry's financial performance had deteriorated mainly because of falling prices.

Lamb meat was imported into the United States from a number of countries. However, the primary sources were Australia and New Zealand, which accounted for 98.3% of total imports in both value and quantity. Canada was a minimal supplier of lamb meat imports during the most recent three-year period, accounting for an average of 0.3% of the subject imports. Consequently, the ITC found that imports from Canada did not account for a substantial share of total imports nor contribute significantly to the threat of serious injury caused by imports, as described in section 311 of the NAFTA Implementation Act. The ITC recommended that Canada be excluded from any relief action.

With respect to remedy, the ITC unanimously recommended that the President impose a four-year tariff rate quota system on imports of lamb meat. However, the President declared an imposition of a three-year tariff rate quota covering exports of lamb meat from July 22, 1999, through July 22, 2002. Individual country quotas were established for imports from Australia, New Zealand and an "other countries" category. Within the quotas the rates of duty established for imports were 9% ad valorum in the first year, 6% in the second year and 3% in the third year. However, once the established quotas were filled, the rates increased to 40% *ad valorem* in the first year, 32% in the second year and 24% in the third year. The President excluded imports from Canada from the safeguard measure.

10 Certain Steel Wire Rod (Wire Rod)

Following receipt of a petition filed on January 12, 1999, on behalf of nine steel producers and two labour groups, the ITC initiated a safeguard investigation, under section 202 of the Trade Act of 1974, to determine whether certain steel wire rod was being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat thereof to the domestic industry producing a like or directly competitive product.

On July 13, 1999, Commissioners divided equally on the question of whether certain steel wire rod was being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat thereof. The Trade Act of 1974 stipulates that in such a case the ITC must report both