



Chairman

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C. 20436

January 9, 2002

The Honorable Robert B. Zoellick
United States Trade Representative
600 Seventeenth Street, NW
Washington, DC 20506

Re: Steel, Inv. No. TA-201-73

Dear Mr. Ambassador:

The following information is provided in response to your January 3, 2002 request for additional information pursuant to section 203(a)(5) of the Trade Act. You have asked the Commission to respond expeditiously to your request. Accordingly, today I am providing this response to question 2 in your request and will provide responses to questions 1 and 3 as soon as it is feasible to do so. In particular, the information provided responds to the request for additional information concerning the economic analysis of remedy options. A brief discussion of the information provided is given for each of the requests listed in part 2 of the request letter.

2(a). In response to the request for additional information on the econometric models submitted by domestic and respondent interested parties, we submit memorandum EC-Y-042. This memorandum provides an analysis by ITC staff on the models submitted by parties.

2(b). In response to this request, a paper discussing the economic models traditionally employed by the Commission and the modifications made to the model by ITC staff to account for market linkages in the flat-rolled steel market is provided.

2(c). The model (described in 2(b)) used to provide the Commissioners with the estimated effects of various remedy options is explained in the information provided in response to 2 (b). An electronic copy of this model (in its current spreadsheet form) can be forwarded to you upon request. With regard to the assumptions and data regarding supply, demand, pricing, and other economic factors, information is contained in the memoranda EC-Y-046 and EC-Y-048 ("Remedy memoranda").

RECEIVED
OFFICE OF THE SECRETARY
US INT'L TRADE COMMISSION
02 JAN 10 AM 11:39

000006

ENTERED JAN 10 2002

2(d). In response to the request for results of the analyses for each remedy recommendation by the Commission or by any Commissioner, the estimated effects of the various proposed remedies have been compiled in one section and are labeled "Estimated effects of Commission's remedy recommendations."

2(e). In response to this request, the memoranda EC-Y-046, EC-Y-048, EC-Y-050, and EC-Y-051 are provided which contain all of the various model runs that were done by ITC staff.

2(f). In response to this request, the "Remedy memoranda" (EC-Y-046 and EC-Y-048) are provided. These memoranda contain all of the information compiled and/or produced by ITC staff which show the estimated effects of various remedy proposals by the parties.

2(g). All memoranda issued by the Office of Economics that are cited in the ITC report are provided in response to the above questions.

Sincerely,

A handwritten signature in black ink that reads "Steve Koplan". The signature is written in a cursive, slightly slanted style.

Stephen Koplan