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PERIOD OF REVIEW: TO

PERIOD COVERED: 01/04/1999 TO

Notice of Lifting of Suspension Date:

TO: { Directors Of Field Operations, Port Directors }

FROM: { Director AD/CVD & Revenue Policy & Programs }

RE: NOTICE OF PRELIMINARY DETERMINATION IN THE ANTIDUMPING INVESTIGATION OF STAINLESS STEEL SHEET AND STRIP IN COILS FROM MEXICO (A-201-822)

MESSAGE NO: 9015111 DATE: 01 15 1999

CATEGORY: ADA TYPE: PRE

REFERENCE: REFERENCE DATE:

CASES: A - 201 - 822 - -

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PERIOD COVERED: 01 04 1999 TO

LIQ SUSPENSION DATE:

TO: CMC DIRECTORS,
PORT DIRECTORS

FROM: DIRECTOR, IMPORT OPERATIONS

RE: NOTICE OF PRELIMINARY DETERMINATION IN THE ANTIDUMPING INVESTIGATION OF STAINLESS STEEL SHEET AND STRIP IN COILS FROM MEXICO (A-201-822)

1. ON 01/04/1999 THE DEPARTMENT OF COMMERCE PUBLISHED IN THE FEDERAL REGISTER (64 FR 124) ITS PRELIMINARY DETERMINATION OF SALES AT LESS THAN FAIR VALUE AND THE POSTPONEMENT OF THE FINAL DETERMINATION IN THE ANTIDUMPING DUTY INVESTIGATION OF STAINLESS STEEL SHEET AND STRIP IN COILS FROM MEXICO.

2. FOR PURPOSES OF THIS INVESTIGATION, THE PRODUCTS COVERED ARE CERTAIN STAINLESS STEEL SHEET AND STRIP IN COILS. STAINLESS

STEEL IS AN ALLOY STEEL CONTAINING, BY WEIGHT, 1.2 PERCENT OR LESS OF CARBON AND 10.5 PERCENT OR MORE OF CHROMIUM, WITH OR WITHOUT OTHER ELEMENTS. THE SUBJECT SHEET AND STRIP IS A FLAT-ROLLED PRODUCT IN COILS THAT IS GREATER THAN 9.5 MM IN WIDTH AND LESS THAN 4.75 MM IN THICKNESS, AND THAT IS ANNEALED OR OTHERWISE HEAT TREATED AND PICKLED OR OTHERWISE DESCALED. THE SUBJECT SHEET AND STRIP MAY ALSO BE FURTHER PROCESSED (E.G., COLD-ROLLED, POLISHED, ALUMINIZED, COATED, ETC.) PROVIDED THAT IT MAINTAINS THE SPECIFIC DIMENSIONS OF SHEET AND STRIP FOLLOWING SUCH PROCESSING.

EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION ARE THE FOLLOWING: (1) SHEET AND STRIP THAT IS NOT ANNEALED OR OTHERWISE HEAT TREATED AND PICKLED OR OTHERWISE DESCALED, (2) SHEET AND STRIP THAT IS CUT TO LENGTH, (3) PLATE (I.E., FLAT-ROLLED STAINLESS STEEL PRODUCTS OF A THICKNESS OF 4.75 MM OR MORE), (4) FLAT WIRE (I.E., COLD-ROLLED SECTIONS, WITH A PREPARED EDGE, RECTANGULAR IN SHAPE, OF A WIDTH OF NOT MORE THAN 9.5 MM), AND (5) RAZOR BLADE STEEL. RAZOR BLADE STEEL IS A FLAT-ROLLED PRODUCT OF STAINLESS STEEL, NOT FURTHER WORKED THAN COLD-ROLLED (COLD-REDUCED), IN COILS, OF A WIDTH OF NOT MORE THAN 23 MM AND A THICKNESS OF 0.266 MM OR LESS, CONTAINING, BY WEIGHT, 12.5 TO 14.5 PERCENT CHROMIUM, AND CERTIFIED AT THE TIME OF ENTRY TO BE USED IN THE MANUFACTURE OF RAZOR BLADES. SEE CHAPTER 72 OF THE HTSUS, "ADDITIONAL U.S. NOTE" 1(D).

IN RESPONSE TO COMMENTS BY INTERESTED PARTIES THE DEPARTMENT HAS DETERMINED THAT CERTAIN SPECIALTY STAINLESS STEEL PRODUCTS ARE ALSO EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION. THESE EXCLUDED PRODUCTS ARE DESCRIBED BELOW: FLAPPER VALVE STEEL IS DEFINED AS STAINLESS STEEL STRIP IN COILS CONTAINING, BY WEIGHT, BETWEEN 0.37 AND 0.43 PERCENT CARBON, BETWEEN 1.15 AND 1.35 PERCENT MOLYBDENUM, AND BETWEEN 0.20 AND 0.80 PERCENT MANGANESE. THIS STEEL ALSO CONTAINS, BY WEIGHT, PHOSPHORUS OF 0.025 PERCENT OR LESS, SILICON OF BETWEEN 0.20 AND 0.50 PERCENT, AND SULFUR OF 0.020 PERCENT OR LESS. THE PRODUCT IS MANUFACTURED BY MEANS

SULPHIDE OF NO MORE THAN 0.04 PERCENT AND FOR OXIDE OF NO MORE THAN 0.05 PERCENT. FLAPPER VALVE STEEL HAS A TENSILE STRENGTH OF BETWEEN 210 AND 300 KSI, YIELD STRENGTH OF BETWEEN 170 AND 270 KSI, PLUS OR MINUS 8 KSI, AND A HARDNESS (HV) OF BETWEEN 460 AND 590. FLAPPER VALVE STEEL IS MOST COMMONLY USED TO PRODUCE SPECIALTY FLAPPER VALVES IN COMPRESSORS.

ALSO EXCLUDED IS A PRODUCT REFERRED TO AS SUSPENSION FOIL, A SPECIALTY STEEL PRODUCT USED IN THE MANUFACTURE OF SUSPENSION ASSEMBLIES FOR COMPUTER DISK DRIVES. SUSPENSION FOIL IS DESCRIBED AS 302/304 GRADE OR 202 GRADE STAINLESS STEEL OF A THICKNESS BETWEEN 14 AND 127 MICRONS, WITH A THICKNESS TOLERANCE OF PLUS-OR-MINUS 2.01 MICRONS, AND SURFACE GLOSSINESS OF 200 TO 700 PERCENT GS. SUSPENSION FOIL MUST BE SUPPLIED IN COIL WIDTHS OF NOT MORE THAN 407 MM, AND WITH A MASS OF 225 KG OR LESS. ROLL MARKS MAY ONLY BE VISIBLE ON ONE SIDE, WITH NO SCRATCHES OF MEASURABLE DEPTH. THE MATERIAL MUST EXHIBIT RESIDUAL STRESSES OF 2 MM MAXIMUM DEFLECTION, AND FLATNESS OF 1.6 MM OVER 685 MM LENGTH.

CERTAIN STAINLESS STEEL FOIL FOR AUTOMOTIVE CATALYTIC CONVERTERS IS ALSO EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION. THIS STAINLESS STEEL STRIP IN COILS IS A SPECIALTY FOIL WITH A THICKNESS OF BETWEEN 20 AND 110 MICRONS USED TO PRODUCE A METALLIC SUBSTRATE WITH A HONEYCOMB STRUCTURE FOR USE IN AUTOMOTIVE CATALYTIC CONVERTERS. THE STEEL CONTAINS, BY WEIGHT, CARBON OF NO MORE THAN 0.030 PERCENT, SILICON OF NO MORE THAN 1.0 PERCENT, MANGANESE OF NO MORE THAN 1.0 PERCENT, CHROMIUM OF BETWEEN 19 AND 22 PERCENT, ALUMINUM OF NO LESS THAN 5.0 PERCENT, PHOSPHORUS OF NO MORE THAN 0.045 PERCENT, SULFUR OF NO MORE THAN 0.03 PERCENT, LANTHANUM OF BETWEEN 0.002 AND 0.05 PERCENT, AND TOTAL RARE EARTH ELEMENTS OF MORE THAN 0.06 PERCENT, WITH THE BALANCE IRON.

PERMANENT MAGNET IRON-CHROMIUM-COBALT ALLOY STAINLESS STRIP IS ALSO EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION. THIS

DUCTILE STAINLESS STEEL STRIP CONTAINS, BY WEIGHT, 26 TO 30 PERCENT CHROMIUM, AND 7 TO 10 PERCENT COBALT, WITH THE REMAINDER OF IRON, IN WIDTHS 228.6 MM OR LESS, AND A THICKNESS BETWEEN 0.127 AND 1.270 MM. IT EXHIBITS MAGNETIC REMANENCE BETWEEN 9,000 AND 12,000 GAUSS, AND A COERCIVITY OF BETWEEN 50 AND 300 OERSTEDS. THIS PRODUCT IS MOST COMMONLY USED IN ELECTRONIC SENSORS AND IS CURRENTLY AVAILABLE UNDER PROPRIETARY TRADE NAMES SUCH AS "ARNOKROME III" (ARNOKROME III IS A TRADEMARK OF THE ARNOLD ENGINEERING COMPANY).

CERTAIN ELECTRICAL RESISTANCE ALLOY STEEL IS ALSO EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION. THIS PRODUCT IS DEFINED AS A NON-MAGNETIC STAINLESS STEEL MANUFACTURED TO AMERICAN SOCIETY OF TESTING AND MATERIALS (ASTM) SPECIFICATION B344 AND CONTAINING, BY WEIGHT, 36 PERCENT NICKEL, 18 PERCENT CHROMIUM, AND 46 PERCENT IRON, AND IS MOST NOTABLE FOR ITS RESISTANCE TO HIGH TEMPERATURE CORROSION. IT HAS A MELTING POINT OF 1390 DEGREES CELSIUS AND DISPLAYS A CREEP RUPTURE LIMIT OF 4 KILOGRAMS PER SQUARE MILLIMETER AT 1000 DEGREES CELSIUS. THIS STEEL IS MOST COMMONLY USED IN THE PRODUCTION OF HEATING RIBBONS FOR CIRCUIT BREAKERS AND INDUSTRIAL FURNACES, AND IN RHEOSTATS FOR RAILWAY LOCOMOTIVES. THE PRODUCT IS CURRENTLY AVAILABLE UNDER PROPRIETARY TRADE NAMES SUCH AS "GILPHY 36" ("GILPHY 36" IS A TRADEMARK OF IMPHY, S.A.).

CERTAIN MARTENSITIC PRECIPITATION-HARDENABLE STAINLESS STEEL IS ALSO EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION. THIS HIGH-STRENGTH, DUCTILE STAINLESS STEEL PRODUCT IS DESIGNATED UNDER THE UNIFIED NUMBERING SYSTEM (UNS) AS S45500-GRADE STEEL, AND CONTAINS, BY WEIGHT, 11 TO 13 PERCENT CHROMIUM, AND 7 TO 10 PERCENT NICKEL. CARBON, MANGANESE, SILICON AND MOLYBDENUM EACH COMPRISE, BY WEIGHT, 0.05 PERCENT OR LESS, WITH PHOSPHORUS AND SULFUR EACH COMPRISING, BY WEIGHT, 0.03 PERCENT OR LESS. THIS STEEL HAS COPPER, NIOBIUM, AND TITANIUM ADDED TO ACHIEVE AGING, AND WILL EXHIBIT YIELD STRENGTHS AS HIGH AS 1700 MPA AND ULTIMATE TENSILE STRENGTHS AS HIGH AS 1750 MPA AFTER AGING, WITH ELONGATION PERCENTAGES

OF 3 PERCENT OR LESS IN 50 MM. IT IS GENERALLY PROVIDED IN THICKNESSES BETWEEN 0.635 AND 0.787 MM, AND IN WIDTHS OF 25.4 MM. THIS PRODUCT IS MOST COMMONLY USED IN THE MANUFACTURE OF TELEVISION TUBES AND IS CURRENTLY AVAILABLE UNDER PROPRIETARY TRADE NAMES SUCH AS "DURPHYNOX 17" ("DURPHYNOX 17" IS A TRADEMARK OF IMPHY, S.A.).

FINALLY, THREE SPECIALTY STAINLESS STEELS TYPICALLY USED IN CERTAIN INDUSTRIAL BLADES AND SURGICAL AND MEDICAL INSTRUMENTS ARE ALSO EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION. THESE INCLUDE STAINLESS STEEL STRIP IN COILS USED IN THE PRODUCTION OF TEXTILE CUTTING TOOLS (E.G., CARPET KNIVES). THIS LIST OF USES IS ILLUSTRATIVE AND PROVIDED FOR DESCRIPTIVE PURPOSES ONLY. THIS STEEL IS SIMILAR TO ASTM GRADE 440F, BUT CONTAINING, BY WEIGHT, 0.5 TO 0.7 PERCENT OF MOLYBDENUM. THE STEEL ALSO CONTAINS, BY WEIGHT, CARBON OF BETWEEN 1.0 AND 1.1 PERCENT, SULFUR OF 0.020 PERCENT OR LESS, AND INCLUDES BETWEEN 0.20 AND 0.30 PERCENT COPPER AND BETWEEN 0.20 AND 0.50 PERCENT COBALT. THIS STEEL IS SOLD UNDER PROPRIETARY NAMES SUCH AS "GIN4 MO." THE SECOND EXCLUDED STAINLESS STEEL STRIP IN COILS IS SIMILAR TO AISI 420-J2 AND CONTAINS, BY WEIGHT, CARBON OF BETWEEN 0.62 AND 0.70 PERCENT, SILICON OF BETWEEN 0.20 AND 0.50 PERCENT, MANGANESE OF BETWEEN 0.45 AND 0.80 PERCENT, PHOSPHORUS OF NO MORE THAN 0.025 PERCENT AND SULFUR OF NO MORE THAN 0.020 PERCENT. THIS STEEL HAS A CARBIDE DENSITY ON AVERAGE OF 100 CARBIDE PARTICLES PER SQUARE MICRON. AN EXAMPLE OF THIS PRODUCT IS "GIN5" STEEL. THE THIRD SPECIALTY STEEL HAS A CHEMICAL COMPOSITION SIMILAR TO AISI 420 F, WITH CARBON OF BETWEEN 0.37 AND 0.43 PERCENT, MOLYBDENUM OF BETWEEN 1.15 AND 1.35 PERCENT, BUT LOWER MANGANESE OF BETWEEN 0.20 AND 0.80 PERCENT, PHOSPHORUS OF NO MORE THAN 0.025 PERCENT, SILICON OF BETWEEN 0.20 AND 0.50 PERCENT, AND SULFUR OF NO MORE THAN 0.020 PERCENT. THIS PRODUCT IS SUPPLIED WITH A HARDNESS OF MORE THAN HV 500 GUARANTEED AFTER CUSTOMER PROCESSING, AND IS SUPPLIED AS, FOR EXAMPLE, "GIN6" ("GIN4 MO," "GIN5" AND "GIN6" ARE THE PROPRIETARY GRADES OF HITACHI METALS AMERICA, LTD.).

3. FOR FURTHER REPORTING PURPOSES THIS CASE HAS BEEN ASSIGNED INVESTIGATION NUMBER A-201-822.

4. FOR IMPORTS OF STAINLESS STEEL SHEET AND STRIP IN COILS FROM MEXICO , THE CUSTOMS SERVICE SHALL SUSPEND LIQUIDATION OF SUCH SHIPMENTS ENTERED OR WITHDRAWN FROM WAREHOUSE, FOR CONSUMPTION ON OR AFTER 01/04/1999. EFFECTIVE 01/04/1999, FOR SUCH ENTRIES, CUSTOMS SHALL REQUIRE A CASH DEPOSIT OR THE POSTING OF A BOND EQUAL TO THE MARGINS SHOWN BELOW:

MFR/PRODUCER EXPORTER	CUSTOMS ID NUMBER	MARGIN PERCENTAGE
MEXINOX	A-201-822-001	23.27
ALL OTHERS	A-201-822-000	23.27

5. IF THERE ARE ANY QUESTIONS REGARDING THIS MATTER BY CUSTOMS OFFICERS, PLEASE CONTACT, VIA E-MAIL, THROUGH THE APPROPRIATE SUPERVISORY CHANNELS, OTHER GOVERNMENT AGENCY LIAISON, USING THE ATTRIBUTE "HQ OAB." THE IMPORTING PUBLIC AND OTHER INTERESTED PARTIES SHOULD CONTACT FRED BAKER OR MARTIN ODENYO, OFFICE OF AD/CVD ENFORCEMENT, IMPORT ADMINISTRATION, INTERNATIONAL TRADE ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE, AT (202) 482-2924 OR (202) 482-5254, RESPECTIVELY.

6. THERE ARE NO RESTRICTIONS ON THE RELEASE OF THIS INFORMATION.

PAUL SCHWARTZ

Company Details

*Party Indicator Value:

I = Importer, M = Manufacturer, E = Exporter, S = Sold To Party