

MESSAGE NO: 9054111 MESSAGE DATE: 02/23/1999
MESSAGE STATUS: Active CATEGORY: Countervailing
TYPE: PRE-Preliminary PUBLIC NON-PUBLIC
SUB-TYPE:

FR CITE: FR FR CITE DATE:

REFERENCE
MESSAGE #
(s):

CASE #(s): C-351-829

EFFECTIVE DATE: COURT CASE #:

PERIOD OF REVIEW: TO

PERIOD COVERED: 02/19/1999 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 CVD INVESTIGATION OF HOT-ROLLED FLAT-ROLLED CARBON- QUALITY STEEL PRODUCTS FROM BRAZIL

MESSAGE NO: 9054111 DATE: 02 23 1999

CATEGORY: CVD TYPE: PRE

REFERENCE: REFERENCE DATE:

CASES: C - 351 - 829 - -

- - - -

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PERIOD COVERED: 02 19 1999 TO

LIQ SUSPENSION DATE:

TO: CMC DIRECTORS,
PORT DIRECTORS

FROM: DIRECTOR, IMPORT OPERATIONS

RE: NOTICE OF PRELIMINARY DETERMINATION IN THE CVD
INVESTIGATION OF HOT-ROLLED FLAT-ROLLED CARBON-
QUALITY STEEL PRODUCTS FROM BRAZIL

1. ON FEBRUARY 19, 1999, THE DEPARTMENT OF COMMERCE PUBLISHED IN THE FEDERAL REGISTER ITS PRELIMINARY AFFIRMATIVE DETERMINATION AND ALIGNMENT OF ITS FINAL COUNTERVAILING DUTY DETERMINATION OF CERTAIN HOT-ROLLED FLAT-ROLLED CARBON-QUALITY STEEL PRODUCTS FROM BRAZIL UNTIL NO LATER THAN APRIL 28, 1999, THEREBY ALIGNING IT WITH THE DUE DATE FOR THE FINAL DETERMINATION IN THE ANTIDUMPING DUTY INVESTIGATION OF HOT-ROLLED FLAT-ROLLED CARBON-QUALITY STEEL PRODUCTS FROM BRAZIL.

2. FOR PURPOSES OF THIS INVESTIGATION, THE PRODUCTS COVERED ARE CERTAIN HOT-ROLLED FLAT-ROLLED CARBON- QUALITY STEEL PRODUCTS OF A RECTANGULAR SHAPE, OF A WIDTH OF 0.5 INCH OR GREATER, NEITHER CLAD, PLATED, NOR COATED WITH METAL AND WHETHER OR NOT PAINTED, VARNISHED, OR COATED WITH PLASTICS OR OTHER NON-METALLIC SUBSTANCES, IN COILS (WHETHER OR NOT IN SUCCESSIVELY SUPERIMPOSED LAYERS) REGARDLESS OF THICKNESS, AND IN STRAIGHT LENGTHS, OF A THICKNESS LESS THAN 4.75 MM AND OF A WIDTH MEASURING AT LEAST 10 TIMES THE THICKNESS. UNIVERSAL MILL PLATE (I.E., FLAT-ROLLED PRODUCTS ROLLED ON FOUR FACES OR IN A CLOSED BOX PASS, OF A WIDTH EXCEEDING 150 MM BUT NOT EXCEEDING 1250 MM AND OF A THICKNESS OF NOT LESS THAN 4 MM, NOT IN COILS AND WITHOUT PATTERNS IN RELIEF) OF A THICKNESS NOT LESS THAN 4.0 MM IS NOT INCLUDED WITHIN THE SCOPE OF THESE INVESTIGATIONS. SPECIFICALLY INCLUDED IN THIS SCOPE ARE VACUUM DEGASSED, FULLY STABILIZED (COMMONLY REFERRED TO AS INTERSTITIAL-FREE ("IF")) STEELS, HIGH STRENGTH LOW ALLOY ("HSLA") STEELS, AND THE SUBSTRATE FOR MOTOR LAMINATION STEELS. IF STEELS ARE RECOGNIZED AS LOW CARBON STEELS WITH MICRO-ALLOYING LEVELS OF ELEMENTS SUCH AS TITANIUM AND/OR NIOBIUM ADDED TO STABILIZE CARBON AND NITROGEN ELEMENTS. HSLA STEELS ARE RECOGNIZED AS STEELS WITH MICRO-ALLOYING LEVELS OF ELEMENTS SUCH AS CHROMIUM, COPPER, NIOBIUM, TITANIUM, VANADIUM, AND MOLYBDENUM. THE SUBSTRATE FOR MOTOR LAMINATION STEELS CONTAINS MICRO-ALLOYING LEVELS OF ELEMENTS SUCH AS SILICON AND ALUMINUM.

STEEL PRODUCTS TO BE INCLUDED IN THE SCOPE OF THIS INVESTIGATION, REGARDLESS OF HTSUS DEFINITIONS, ARE PRODUCTS IN WHICH: 1) IRON PREDOMINATES, BY WEIGHT, OVER EACH OF THE OTHER CONTAINED ELEMENTS; 2) THE CARBON CONTENT IS 2 PERCENT OR LESS, BY WEIGHT; AND 3) NONE OF THE ELEMENTS LISTED BELOW EXCEEDS THE QUANTITY, BY WEIGHT, RESPECTIVELY INDICATED:

1.80 PERCENT OF MANGANESE, OR

1.50 PERCENT OF SILICON, OR

1.00 PERCENT OF COPPER, OR

0.50 PERCENT OF ALUMINUM, OR

1.25 PERCENT OF CHROMIUM, OR
0.30 PERCENT OF COBALT, OR
0.40 PERCENT OF LEAD, OR
1.25 PERCENT OF NICKEL, OR
0.30 PERCENT OF TUNGSTEN, OR
0.012 PERCENT OF BORON, OR
0.10 PERCENT OF MOLYBDENUM, OR
0.10 PERCENT OF NIOBIUM, OR
0.41 PERCENT OF TITANIUM, OR
0.15 PERCENT OF VANADIUM, OR
0.15 PERCENT OF ZIRCONIUM.

ALL PRODUCTS THAT MEET THE PHYSICAL AND CHEMICAL DESCRIPTION PROVIDED ABOVE ARE WITHIN THE SCOPE OF THIS INVESTIGATION UNLESS OTHERWISE EXCLUDED. THE FOLLOWING PRODUCTS, BY WAY OF EXAMPLE, ARE OUTSIDE AND/OR SPECIFICALLY EXCLUDED FROM THE SCOPE OF THIS INVESTIGATION:

ALLOY HOT-ROLLED STEEL PRODUCTS IN WHICH AT LEAST ONE OF THE CHEMICAL ELEMENTS EXCEEDS THOSE LISTED ABOVE (INCLUDING E.G., ASTM SPECIFICATIONS A543, A387, A514, A517, AND A506).

SAE/AISI GRADES OF SERIES 2300 AND HIGHER.

BALL BEARING STEELS, AS DEFINED IN THE HTSUS.

TOOL STEELS, AS DEFINED IN THE HTSUS.

SILICO-MANGANESE (AS DEFINED IN THE HTSUS) OR SILICON ELECTRICAL STEEL WITH A SILICON LEVEL EXCEEDING 1.50 PERCENT.

ASTM SPECIFICATIONS A710 AND A736.

USS ABRASION-RESISTANT STEELS (USS AR 400, USS AR 500).

HOT-ROLLED STEEL COIL WHICH MEETS THE FOLLOWING CHEMICAL, PHYSICAL AND MECHANICAL SPECIFICATIONS:

C 0.10 - 0.14%

MN 0.90% MAX

P 0.025% MAX

S 0.005% MAX

SI 0.30 - 0.50%

CR 0.50 - 0.70%

CU 0.20 - 0.40%

NI 0.20% MAX

WIDTH

44.80 INCHES MAXIMUM; THICKNESS

0.063 - 0.198

INCHES;

YIELD STRENGTH

50,000 KSI MINIMUM; TENSILE STRENGTH

70,000 - 88,000 PSI.

HOT-ROLLED STEEL COIL WHICH MEETS THE FOLLOWING
CHEMICAL, PHYSICAL AND MECHANICAL SPECIFICATIONS:

C 0.10 - 0.16%

MN 0.70 - 0.90%

P 0.025% MAX

S 0.006% MAX

SI 0.30 - 0.50%

CR 0.50 - 0.70%

CU 0.25% MAX

NI 0.20% MAX

MO 0.21% MAX

WIDTH

44.80 INCHES MAXIMUM; THICKNESS

0.350 INCHES

MAXIMUM;

YIELD STRENGTH

80,000 KSI MINIMUM; TENSILE STRENGTH

105,000 PSI AIM.

HOT-ROLLED STEEL COIL WHICH MEETS THE FOLLOWING
CHEMICAL, PHYSICAL AND MECHANICAL SPECIFICATIONS:

C 0.10 - 0.14%

MN 1.30 - 1.80%

P 0.025% MAX

S 0.005% MAX

SI 0.30 - 0.50%

CR 0.50 - 0.70%

CU 0.20 - 0.40%
NI 0.20% MAX
V(WT.) 0.10 MAX
CB 0.08% MAX

WIDTH

44.80 INCHES MAXIMUM; THICKNESS

0.350 INCHES

MAXIMUM;

YIELD STRENGTH

80,000 KSI MINIMUM; TENSILE STRENGTH

105,000 PSI AIM.

HOT-ROLLED STEEL COIL WHICH MEETS THE FOLLOWING
CHEMICAL, PHYSICAL AND MECHANICAL SPECIFICATIONS:

C 0.15% MAX
MN 1.40% MAX
P 0.025% MAX
S 0.010% MAX
SI 0.50% MAX
CR 1.00% MAX
CU 0.50% MAX
NI 0.20% MAX
NB 0.005% MIN
CA TREATED
AL 0.01 - 0.07%

WIDTH

39.37 INCHES; THICKNESS

0.181 INCHES MAXIMUM;

YIELD STRENGTH

70,000 PSI MINIMUM FOR THICKNESSES

0.148 INCHES AND 65,000 PSI MINIMUM FOR THICKNESSES

>0.148 INCHES; TENSILE STRENGTH

80,000 PSI MINIMUM.

HOT-ROLLED DUAL PHASE STEEL, PHASE-HARDENED, PRIMARILY
WITH A FERRITIC-MARTENSITIC MICROSTRUCTURE, CONTAINS
0.9 PERCENT UP TO AND INCLUDING 1.5 PERCENT SILICON BY

WEIGHT, FURTHER CHARACTERIZED BY EITHER (I) TENSILE STRENGTH BETWEEN 540 N/MM AND 640 N/MM AND AN ELONGATION PERCENTAGE 26 PERCENT FOR THICKNESSES OF 2 MM AND ABOVE, OR (II) A TENSILE STRENGTH BETWEEN 590 N/MM AND 690 N/MM AND AN ELONGATION PERCENTAGE 25 PERCENT FOR THICKNESSES OF 2MM AND ABOVE.

HOT-ROLLED BEARING QUALITY STEEL, SAE GRADE 1050, IN COILS, WITH AN INCLUSION RATING OF 1.0 MAXIMUM PER ASTM E 45, METHOD A, WITH EXCELLENT SURFACE QUALITY AND CHEMISTRY RESTRICTIONS AS FOLLOWS: 0.012 PERCENT MAXIMUM PHOSPHORUS, 0.015 PERCENT MAXIMUM SULFUR, AND 0.20 PERCENT MAXIMUM RESIDUALS INCLUDING 0.15 PERCENT MAXIMUM CHROMIUM.

THE MERCHANDISE SUBJECT TO THESE INVESTIGATIONS IS CLASSIFIED IN THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES ("HTSUS") AT SUBHEADINGS: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00. CERTAIN HOT-ROLLED FLAT-ROLLED CARBON-QUALITY STEEL COVERED BY THIS INVESTIGATION, INCLUDING: VACUUM DEGASSED, FULLY STABILIZED; HIGH STRENGTH LOW ALLOY; AND THE SUBSTRATE FOR MOTOR LAMINATION STEEL MAY ALSO ENTER UNDER THE FOLLOWING TARIFF NUMBERS: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, AND 7226.99.00.00. ALTHOUGH THE HTSUS SUBHEADINGS ARE PROVIDED FOR CONVENIENCE AND CUSTOMS PURPOSES, THE WRITTEN DESCRIPTION OF THE MERCHANDISE UNDER INVESTIGATION IS DISPOSITIVE.

3. FOR FURTHER REPORTING PURPOSES THIS CASE HAS BEEN ASSIGNED INVESTIGATION NUMBER C-351-829.

4. FOR IMPORTS OF HOT-ROLLED FLAT-ROLLED CARBON-QUALITY STEEL PRODUCTS FROM BRAZIL, THE CUSTOMS SERVICE SHALL SUSPEND LIQUIDATIONS OF SUCH SHIPMENTS ENTERED OR WITHDRAWN FROM WAREHOUSE, FOR CONSUMPTION ON OR AFTER FEBRUARY 19, 1999. EFFECTIVE FEBRUARY 19, 1999 CUSTOMS SHALL REQUIRE, FOR SUCH ENTRIES, A CASH DEPOSIT OR THE POSTING OF A BOND EQUAL TO THE SUBSIDY RATES SHOWN BELOW:

MFR/PRODUCER	CUSTOMS ID	(MARGIN/AD VALOREM)
EXPORTER	NUMBER	(PERCENTAGE/SUBSIDY RATE)
COMPANHIA SIDERUGICA NACIONAL (CSN)	C-351-829-001	6.62
USINAS SIDERUGICAS DE MINAS GERAIS (USIMINAS)	C-351-829-002	9.45
COMPANHIA SIDERURGICA PAULISTA (COSIPA)	C-351-829-003	9.45
ALL OTHERS	C-351-829-000	7.85

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 KATHLEEN LOCKARD , OFFICE OF AD/CVD ENFORCEMENT, IMPORT ADMINISTRATION, INTERNATIONAL TRADE ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE, AT (202) 482-1168.

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