

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-201-822]

Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From Mexico

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order.

EFFECTIVE DATE: July 27, 1999.

FOR FURTHER INFORMATION CONTACT: Fred Baker or Michael Heaney, Office of AD/CVD Enforcement, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at (202) 482-2924 or (202) 482-4475, respectively.

APPLICABLE STATUTE AND REGULATIONS: Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to the regulations codified at 19 CFR Part 351 (April 1, 1998).

Amendment to the Final Determination

On May 19, 1999, the Department determined that stainless steel sheet and strip in coils (stainless sheet in coil) from Mexico are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735(a) of the Act. See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Mexico, 64 FR 30790 (June 8, 1999) (Final Determination). On June 1, 1999, respondent Mexinox S.A. de C.V. (Mexinox) filed a timely allegation that the Department had made several ministerial errors in its Final Determination. We received no ministerial error allegations nor rebuttal comments from the petitioners (Allegheny Ludlum Corp., Armco, Inc. J&L Specialty Steel, Inc., Washington Steel Division of Bethlehem Steel Corp., United Steelworkers of America, AFL-CIO/CLC, Butler Armco Independent Union, and Zanesville Armco Independent Organization). Mexinox requested that we correct the ministerial

errors pursuant to the Department's authority under 19 CFR 351.224.

Mexinox alleges the following ministerial errors:

- The Department erred by failing to calculate a separate weight-averaged net U.S. price for export price (EP) and constructed export price (CEP) sales, but instead collapsing EP and CEP calculations into a single weight-averaged figure which was then used to calculate the margin.

- The Department erred by including foreign exchange losses in the calculation of variable cost of manufacturing (VCOM), rather than including them in either general and administrative (G&A) expenses or as part of the net interest expenses.

- In calculating CEP profit, the Department erred by failing to include the U.S. indirect selling expenses of Mexinox's U.S. Krupp affiliate in the computation of the total U.S. selling expenses.

Section 735(e) of the Act and 19 CFR 351.224(f) define a ministerial error as "an error in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any other similar type of unintentional error which the Department considers ministerial." We agree with Mexinox that the failure to calculate a separate weight-averaged U.S. price for EP and CEP transactions constituted a clerical error. We did not intend to collapse the calculation of net U.S. price into a single value for EP and CEP sales. We intended rather to calculate a separate net U.S. price for EP and CEP sales. We also agree that the failure to include the indirect selling expenses of the U.S. Krupp affiliate in the pool of total selling expenses constituted a clerical error. We did not intend to omit any incurred selling expenses from the computation of total selling expenses. We have corrected these errors in this amended final determination. However, we do not agree that the inclusion of foreign exchange losses in the calculation of VCOM constituted a clerical error. These foreign exchange losses relate to gains and losses incurred exclusively on purchases of raw materials and hence are a cost of materials. Therefore, the direct material foreign exchange losses are appropriately included in the calculation of VCOM. Thus, the inclusion of direct material foreign exchange losses in VCOM does not constitute a ministerial error.

Because we agree that our Final Determination contained two clerical errors, we are amending the Final Determination of the antidumping duty

investigation of stainless steel sheet and strip in coils from Mexico in accordance with 19 CFR 351.224(e). The revised weighted-average dumping margins are in the "Antidumping Duty Order" section, below.

Scope of the Order

For purposes of this order, 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.

The merchandise subject to this order is classified in the Harmonized Tariff Schedule of the United States (HTS) at subheadings: 7219.13.00.30, 7219.13.00.50, 7219.13.00.70, 7219.13.00.80, 7219.14.00.30, 7219.14.00.65, 7219.14.00.90, 7219.32.00.05, 7219.32.00.20, 7219.32.00.25, 7219.32.00.35, 7219.32.00.36, 7219.32.00.38, 7219.32.00.42, 7219.32.00.44, 7219.33.00.05, 7219.33.00.20, 7219.33.00.25, 7219.33.00.35, 7219.33.00.36, 7219.33.00.38, 7219.33.00.42, 7219.33.00.44, 7219.34.00.05, 7219.34.00.20, 7219.34.00.25, 7219.34.00.30, 7219.34.00.35, 7219.35.00.05, 7219.35.00.15, 7219.35.00.30, 7219.35.00.35, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.12.10.00, 7220.12.50.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.20.70.05, 7220.20.70.10, 7220.20.70.15, 7220.20.70.60, 7220.20.70.80, 7220.20.80.00, 7220.20.90.30, 7220.20.90.60, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTS subheadings are provided for convenience and Customs purposes, the Department's written description of the merchandise under investigation is dispositive.

Excluded from the scope of this order 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 HTS, "Additional U.S. Note" 1(d).

Flapper valve steel is also excluded from the scope of the order. This product 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 of vacuum arc remelting, with inclusion controls for 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 order. 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 less than 0.002 or greater than 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 order. 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."¹

Certain electrical resistance alloy steel is also excluded from the scope of this order. 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."²

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this order. 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."³

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this order. These include stainless steel strip in coils used in the production of textile cutting tools (e.g., carpet knives).⁴ This steel is similar to AISI grade 420 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 100 square microns. 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".⁵

Antidumping Duty Order

On July 19, 1999, the International Trade Commission (the Commission) notified the Department of its final determination pursuant to section 735(b)(1)(A)(i) of the Act that an industry in the United States is materially injured by reason of less-than-fair-value imports of subject

³"Durphynox 17" is a trademark of Imphy, S.A.

⁴This list of uses is illustrative and provided for descriptive purposes only.

⁵"GIN4 Mo," "GIN5" and "GIN6" are the proprietary grades of Hitachi Metals America, Ltd.

¹"Arnokrome III" is a trademark of the Arnold Engineering Company.

²"Gilphy 36" is a trademark of Imphy, S.A.

merchandise from Mexico. Therefore, in accordance with section 736(a)(1) of the Act, the Department will direct U.S. Customs Service officers to assess, upon further advice by the Department, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise for all relevant entries of stainless steel sheet and strip in coils from Mexico. These antidumping duties will be assessed on all unliquidated entries of stainless steel sheet and strip in coils from Mexico entered, or withdrawn from warehouse, for consumption on or after January 4, 1999, the date on which the Department published its notice of preliminary determination in the **Federal Register** (64 FR 124). On or after the date of publication of this notice in the **Federal Register**, Customs officers must require, at the same time as importers would normally deposit estimated duties, cash deposits for the subject merchandise equal to the estimated weighted-average antidumping duty margins as noted below. The "All Others" rate applies to all exporters of subject stainless steel sheet and strip in coils not specifically listed. The revised weighted-average dumping margins are as follows:

Exporter/manufacture	Weighted-average margin per cent
Mexinox S.A. de C.V.	30.85
All Others	30.85

This notice constitutes the antidumping duty order with respect to stainless steel sheet and strip in coils from Mexico. Interested parties may contact the Department's Central Records Unit, room B-099 of the main Commerce building, for copies of an updated list of antidumping duty orders currently in effect.

This order is published in accordance with section 736(a) of the Act and 19 CFR § 351.224(e).

Dated: July 21, 1999.

Bernard Carreau,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-427-814]

Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From France

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order.

EFFECTIVE DATE: July 27, 1999.

FOR FURTHER INFORMATION CONTACT:

Robert Bolling or James Doyle, Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at (202) 482-3434, or (202) 482-0159, respectively.

APPLICABLE STATUTE AND REGULATIONS:

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to the regulations codified at 19 CFR Part 351 (April 1, 1998).

Amendment to the Final Determination

On May 19, 1999, the Department determined that stainless steel sheet and strip in coils (stainless sheet in coil) from France are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735(a) of the Tariff Act. See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From France, 64 FR 308204 (June 8, 1999) (Final Determination). On June 1, 1999, respondents, Usinor and its home market and U.S. market affiliates (Ugine Division, Ugine Serve, Bernier, Uginox, Hague and Edgcomb Metals), timely alleged one ministerial error. Additionally, on June 4, 1999, Petitioners (Allegheny Ludlum Corp., Armco, Inc. J&L Specialty Steel, Inc., Washington Steel Division of Bethlehem Steel Corp., United Steelworkers of America, AFL-CIO/CLC, Butler Armco Independent Union, and Zanesville Armco Independent Organization)

timely alleged three ministerial errors. See 19 CFR 351.224(e).

Comment 1: Respondents allege that the Department's model match program in its final determination failed to retain the product characteristics with respect to Usinor's sales to Ugine Service. Respondents noted that this error has the effect of ignoring these sales for matching purposes for control numbers sold only to Ugine Service. Respondents recommended that the Department add these characteristics to the "KEEP" statement in line 542 of its model match program.

Department's Position: After a review of respondents' allegation, we agree with respondents and have corrected our model match program at line 542 to account for the missing product characteristics (i.e., we added the variable &HMPHVARs) in the model match program. For the computer code we used to correct this ministerial error, please see the *Memorandum from Robert A. Bolling to Edward Yang* dated July 13, 1999 ("Amended Final Calculation Memorandum"), a public version of which is available in the Central Records Unit, Room B-099 of the Department of Commerce building, 14th Street and Constitution Ave, N.W., Washington, D.C.

Comment 2: Petitioners allege that in the final determination the Department tested sales from Usinor to Ugine Service and Bernier to determine if those sales were made at arm's length prices. Petitioners noted that while certain home market sales that did not pass the arm's length test were excluded from the dumping analysis, the Department failed to exclude sales from a second home market sales file that did not pass the arm's length test. Respondents did not comment on this issue.

Department's Position: After a review of petitioner's allegation, we agree with petitioners, and have corrected our model match program in order to exclude sales from the second home market sales file from our dumping analysis that failed the arm's length test. At line 537 of the model match program, we have included the dataset "ARMFAIL." For the computer code we used to correct this ministerial error, please see the *Amended Final Calculation Memorandum*, a public version of which is available in the Central Records Unit, Room B-099 of the Department of Commerce building, 14th Street and Constitution Ave, N.W., Washington, D.C.

Comment 3: Petitioners allege that the Department determined that the reported affiliated freight forwarder rates for U.S. sales were not at arm's