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May 2, 2018

VIA ELECTRONIC FILING

Mr. Brad Botwin
Director, Industrial Studies
Office of Technology Evaluation
Bureau of Industry and Security
U.S. Department of Commerce
Room 1093
1401 Constitution Avenue NW
Washington, DC 20230

Re: Request for Exclusions From the Remedies Instituted in Presidential Proclamations Adjusting Imports of Steel Into the United States
On behalf of American Iron & Alloys LLC.
Product: Versa-Bar Continuous Cast Iron.
Our Reference: 13086-024001

Dear Mr. Botwin:

On behalf of our client, American Iron & Alloys LLC (“American Iron”), 1700 Airport Road, Waukesha, WI 51388, we request the Versa-Bar products produced in Brazil be excluded from the Remedies Instituted in Presidential Proclamations Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705 of March 8, 2018 under Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862). The accompanying requests provide the detail for the various Versa-Bar products.

Versa-Bar products are “semi-finished bars” as this relates to them being cast through a graphite die, continuously cast gray and ductile iron. This process forms the as-cast iron bar to shape (round, square, rectangle, or special shape) from the iron’s molten state. They are not otherwise altered mechanically, such as rolled or drawn down to shape. They are containing by weight 0.25 percent or more of carbon, in square, rectangular, circular or other cross-sections.

These cast iron products in bar shape are imported under Harmonized Tariff Schedules of the United States (HTSUS) subheadings: 7207.20.0025 (rectangles including squares having a width measuring less than 4 times the thickness); 7207.20.0045 (rectangles including squares having a width measuring at least 4 times the thickness); 7207.20.0075 (circular cross sections); and 7207.20.0090 (other special shapes not specifically provided for).

Versa-Bar continuous cast iron is most commonly used in the fluid power, bearing, patterns and machine component manufacturing industries. Versa-Bar cast iron bar products are favored by those industries for their machinability, functionality, wear and durability. Such features make Versa-Bar critical to domestic infrastructure projects and manufacturers of a variety of products.

It should be noted that Versa-Bar cast iron bar products imported from Brazil have been excluded from prior trade remedy actions. In 2002 under Section 203 of the Trade Act of 1974 (19 U.S.C. 2251, *et seq.*), the President took action with respect to imports of certain steel products imposing a safeguard measure (tariff rate quota). See Message From The President Of The United States Transmitting Documents Describing Safeguard Action Proclaimed On Imports Of Certain Steel Products, Pursuant To Section 203(a)(1) Of The Trade Act Of 1974, House Doc. 107-185 (March 6, 2002). That action was designed to relieve and prevent serious injury, or threat of serious injury, to domestic industry. In that proceeding, the President determined that Versa-Bar imports from Brazil did not pose a serious threat of injury to domestic industry producing like or directly competitive products and Versa-Bar was excluded from the action. *See Annex, H. Doc 107-185 at page 17.*

Likewise, in the antidumping investigation of Certain Alloy and Carbon Hot-Rolled Bars, Rods, and Semifinished Products of Special Bar Quality (SQB) Steel From Brazil (A-351-213, A-351-214), the International Trade Commission (“ITC”) determined that sales of Versa-Bar products did not injure, nor threaten material injury to, the U.S. domestic producers of finished or semifinished SBQ bars and rods. *See* ITC, Final Determination: Certain Alloy and Carbon Hot-Rolled Bars, Rods, and Semifinished Products of Special Bar Quality Steel From Brazil, Investigation No. 731-TA-572 (Final), 58 Fed. Reg. 38138 (July 15, 1993).¹

The Versa-Bar continuous cast iron product, imported from Brazil, represents the primary product sold by American Iron. In addition to raw materials supply, American Iron provides custom processing, including finish machining, turning, boring, cutting to length, grinding, plate slitting, milling and plate cutting. American Iron employs approximately 25 people in Wisconsin. The application of a 25% tariff to Versa-Bar products would prevent American Iron from selling at a competitive price and would seriously endanger its ability to continue as an ongoing business. This additional tariff would likely result in the loss of employment for all 25 American Iron employees in Wisconsin.

In addition to the 25 people employed by American Iron in Wisconsin, the jobs of Americans employed by its customers and distributors would also be jeopardized by the 25% tariff. American Iron fulfills a critical need in the U.S. continuous cast iron market, in that many of its customers are unable to source from the one U.S. manufacturer of continuous cast iron (Dura-Bar). This inability results from: (1) the U.S. manufacturer’s refusal to supply to their

¹ Certain Special Quality Carbon and Alloy Hot-Rolled Steel Bars and Rods and Semifinished Products from Brazil, Investigation No. 731-TA-572, ITC Pub. 2662 (July 1993).

business (as in the case of former long-time Dura-Bar customer, A.M. Castle); (2) the U.S. manufacturer no longer produces the products they require (e.g., Dura-Bar does not sell certain products that are smaller than 2 inches and does not manufacture many large shapes); and/or (3) the U.S. manufacturer's minimum contract requirements and/or surcharges, which make certain American companies unable to source from Dura-Bar. As a result, these U.S. manufacturing companies rely on American Iron as their sole source of supply, making the viability of American Iron critical to their business, their employees, and the U.S. infrastructure projects that many of these companies serve. Attached is an Affidavit from former Dura-Bar customer, A.M. Castle & Co., which speaks to its experience with the U.S. supplier.

We trust this information will assist in making your determination. We believe the unique nature of the Versa-Bar continuous cast iron products, the importance of this product to U.S. industry and infrastructure, and the loss of U.S. jobs that would occur were the tariff imposed, justify the exclusion of Versa-Bar products imported from Brazil from the Presidential Action.

Of course, if you have any questions or need additional information, please feel free to contact the undersigned.

Sincerely,

GRUNFELD, DESIDERIO, LEBOWITZ,
SILVERMAN & KLESTADT LLP

Alan R. Klestadt (by au)

Alan R. Klestadt

**Statement in Support of Request for Exclusion
on behalf of American Iron & Alloys LLC**

I am Robert McGourty, Director of Strategic Sourcing, of A.M. Castle & Co. ("Castle Metals") I make this statement in support of the request for exclusion on behalf of American Iron & Alloys LLC ("AIA") from remedies under the Section 232 National Security Investigation of Steel with respect to continuous cast iron products known in the trade as "versa-bars." The sole U.S. producer of the items which are the subject of AIA's exclusion request (continuous cast iron products) notified us last year that we would no longer be recognized as an "authorized distributor" of their products. AIA is the only U.S. company with the requisite quality that can supply Castle Metals with this product; if the additional tariff is imposed on the versa-bar products supplied by AIA, Castle Metal's business will be adversely impacted, either through unmanageable increased material costs, or through the loss of its sole supplier of said product.

1. A. M. Castle & Co. (OTCQB:CTAM), headquartered at 1420 Kensington Road, Suite 220, Oak Brook, IL 60523, was founded in 1890. Castle Metals is a specialty metals distribution company. We supply metal products in bar, tube, plate, extrusion, and sheet form to metal users worldwide. We distribute alloy, carbon, stainless steel, nickel, aluminum, titanium, cast iron, and red metals. Castle Metal employs approximately 1,000 people in the United States.

2. I have been Director of Strategic Sourcing and Director of Business Development since June of 2017. Prior to that time, I held various sales and marketing positions with Castle Metals. I am thoroughly familiar with Castle Metal's purchases of versa-bar and similar products.

3. Castle Metals has purchased continuous cast iron products (versa-bars) from AIA since 2017.

4. Prior to that time, Castle Metals purchased versa-bar from the Charter Dura-Bar division of Charter Steel, 1800 West Lake Shore Drive, Woodstock, IL 60098 <https://www.dura-bar.com/>. Charter Dura-Bar controls approximately 80% of the market for these materials. To my knowledge, Charter Dura-Bar is the only domestic producer of continuous cast iron material. Besides Tupy S.A., I am aware of mills in Great Britain and China that can also supply continuous cast iron products but the quality of the product purchased from those suppliers is not reliable.

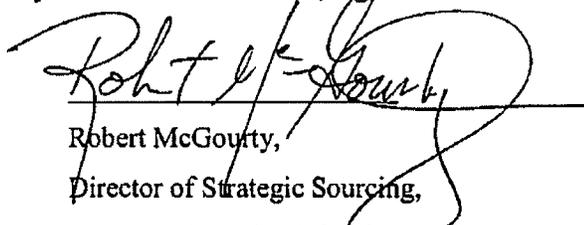
5. In 2017, Charter Dura-Bar informed Castle Metals that it would no longer recognize Castle Metals as an authorized distributor and would therefore no longer supply Castle Metals

with continuous cast iron materials at a distributor pricing level. Prior to that time, Charter Dura-Bar had stopped producing small sizes under 2" and most large sizes over 12" particular on large round, square, and rectangle configurations. It is my understanding that after it stopped production on these items, Charter Dura-Bar began to import them from mills located in the European Union and elsewhere.

6. When Charter Dura-Bar cut off our source of supply for continuous cast iron material products, we identified AIA as the most viable alternate source for these products. AIA was able to supply Castle Metals with reliable, quality product from their supplier in Brazil, Tupy S.A.

7. With the imposition of a 25% duty of these products, we understand that our purchase price for the versa-bar products will increase and we will be forced to pass at least some of these additional costs to our customers or discontinue sales of the product. Some of our customers may be unable to absorb these additional costs and will either discontinue their purchases of this product from Castle Metals there by causing direct injury to Castle Metals business.

8. To the best of my knowledge, no U.S. steel producer, other than Charter Dura-Bar manufactures a substitute or near-equivalent product that would meet the product qualification requirements for these continuously cast iron products. The versa-bar that we purchase from AIA is a "niche product" which has particular performance characteristics that are not readily duplicated by other iron or steel products currently available in the market, regardless of source.


Robert McGourty,
Director of Strategic Sourcing,
A.M. Castle & Co. ("Castle Metals")
April 10, 2018

TO FACILITATE POSITIVE ADJUSTMENT TO COMPETITION FROM IMPORTS OF CERTAIN STEEL PRODUCTS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DOCUMENTS DESCRIBING SAFEGUARD ACTION PROCLAIMED ON IMPORTS OF CERTAIN STEEL PRODUCTS, PURSUANT TO SECTION 203(a)(1) OF THE TRADE ACT OF 1974



MARCH 6, 2002.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 2002

99-011

[see page 9
& page 17 -
exclusion
from sec.
203]

To the Congress of the United States:

In accordance with section 203(b) of the Trade Act of 1974, as amended (the "Act"), I hereby transmit documents to the Congress that describe the safeguard action that I have proclaimed on imports of certain steel products, pursuant to the authority vested in me by section 203(a)(1) of the Act and as President of the United States, and the reasons for taking that action.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 5, 2002.*

TO FACILITATE POSITIVE ADJUSTMENT TO COMPETITION FROM
IMPORTS OF CERTAIN STEEL PRODUCTS

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. On December 19, 2001, the United States International Trade Commission (ITC) transmitted to the President a report on its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of certain steel products.

2. The ITC reached affirmative determinations under section 202(b) of the Trade Act that the following products are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industries producing like or directly competitive articles: (a) certain carbon flatrolled steel, including carbon and alloy steel slabs ("slabs"); plate (including cut-to-length plate and clad plate) ("plate"); hot-rolled steel (including plate in coils) ("hot-rolled steel"); cold-rolled steel (other than grain-oriented electrical steel) ("cold-rolled steel"); and corrosion-resistant and other coated steel ("coated steel") (collectively, "certain flat steel"); (b) carbon and alloy hot-rolled bar and light shapes ("hot-rolled bar"); (c) carbon and alloy cold-finished bar ("cold-finished bar"); (d) carbon and alloy rebar ("rebar"); (e) carbon and alloy welded tubular products (other than oil country tubular goods) ("certain tubular products"); (f) carbon and alloy flanges, fittings, and tool joints ("carbon and alloy fittings"); (g) stainless steel bar and light shapes ("stainless steel bar"); and (h) stainless steel rod. The ITC commissioners were equally divided with respect to the determination required under section 202(b) regarding whether (i) carbon and alloy tin mill products ("tin mill products") and (j) stainless steel wire.

3. The ITC provided detailed definitions of the products included in categories (a) through (j) of paragraph 2, and their corresponding subheadings, under the Harmonized Tariff Schedule of the United States (HTS) in Appendix A to its determination, set out at 66 Fed. Reg. 67304, 67308-67311 (December 28, 2001). By February 4, 2002, the ITC provided additional information in response to a request by the United States Trade Representative (USTR) under section 203(a)(5) of the Trade Act (19 U.S. 2253(a)(5)) (the "supplemental report").

4. Section 330(d)(1) of the Tariff Act of 1930, as amended (19 U.S.C. 1330(d)(1)), provides that, when the ITC is required to determine under section 202(b) of the Trade Act whether increased imports of an article are a substantial cause of serious injury, or the threat thereof, and the commissioners voting are equally di-

vided with respect to such determination, then the determination agreed upon by either group of commissioners may be considered by the President as the determination of the ITC. Having considered the determinations of the commissioners with regard to tin mill products and stainless steel wire, I have decided to consider the determinations of the groups of commissioners voting in the affirmative with regard to each of these products to be the determination of the ITC.

5. Pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (19 U.S.C. 3371(a)), the ITC made findings as to whether imports from Canada and Mexico, considered individually, account for a substantial share of total imports and contribute importantly to the serious injury, or threat thereof, caused by imports. The ITC made negative findings with respect to imports from Canada of certain flat steel, tin mill products, rebar, stainless steel rod, and stainless wire; and the ITC also made negative findings with respect to imports from Mexico of tin mill products, hot-rolled bar, cold-finished bar, rebar, certain tubular products, stainless steel bar, stainless steel rod, and stainless steel wire. The ITC made affirmative findings with respect to imports from Canada of hot-rolled bar, cold-finished bar, carbon and alloy fittings, and stainless steel bar; and the ITC also made affirmative findings with respect to imports from Mexico of certain flat steel, and carbon and alloy steel fittings. The ITC commissioners were equally divided with respect to imports from Canada of certain tubular products.

6. The ITC commissioners voting in the affirmative under section 202(b) of the Trade Act also transmitted to the President their recommendations made pursuant to section 202(e) of the Trade Act (19 U.S.C. 2252(e)) with respect to the actions that, in their view, would address the serious injury, or threat thereof, to the domestic industries and be most effective in facilitating the efforts of those industries to make a positive adjustment to import competition.

7. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act and the ITC supplemental report, I have determined to implement action of a type described in section 203(a)(3) (a "safeguard measure") with regard to the following steel products:

(a) certain flat steel, consisting of: slabs provided for in the superior text to subheadings 9903.72.30 through 9903.72.48 in the Annex to this proclamation; plate provided for in the superior text to subheadings 9903.72.50 through 9903.72.62 in the Annex to this proclamation; hot-rolled steel provided for in the superior text to subheadings 9903.72.65 through 9903.72.82 in the Annex to this proclamation; cold-rolled steel provided for in the superior text to subheadings 9903.72.85 through 9903.72.04 in the Annex to this proclamation; and coated steel provided for in the superior text to subheadings 9903.73.07 through 9903.73.23 in the Annex to this proclamation;

(b) hot-rolled bar provided for in the superior text to subheadings 9903.73.42 through 9903.73.52 in the Annex to this proclamation;

(c) cold-finished bar provided for in the superior text to subheadings 9903.73.55 through 9903.73.62 in the Annex to this proclamation;

(d) rebar provided for in the superior text to subheadings 9903.73.65 through 9903.73.71 in the Annex to this proclamation;

(e) certain tubular products provided for in the superior text to subheadings 9903.73.74 through 9903.73.86 in the Annex to this proclamation;

(f) carbon and alloy fittings provided for in the superior text to subheadings 9903.73.88 through 9903.73.95 in the Annex to this proclamation;

(g) stainless steel bar provided for in the superior text to subheadings 9903.73.97 through 9903.74.06 in the Annex to this proclamation;

(h) stainless steel rod provided for in the superior text to subheadings 9903.74.08 through 9903.74.16 in the Annex to this proclamation;

(i) tin mill products provided for in the superior text to subheadings 9903.73.26 through 9903.73.39 in the Annex to this proclamation; and

(j) stainless steel wire provided for in the superior text to subheadings 9903.74.18 through 9903.74.24 in the Annex to this proclamation.

The steel products listed in clauses (i) through (ix) of subdivision (b) of U.S. Note 11 to subchapter III of chapter 99 of the HTS ("Note 11") in the Annex of this proclamation were excluded from the determination of the ITC described in paragraph 2, and are excluded from these safeguard measures. I have also determined to exclude from these safeguard measures the steel products listed in the subsequent clauses of subdivision (b) of Note 11 in the Annex to this proclamation.

8. Pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined after considering the report and supplemental report of the ITC that imports from each of Canada and Mexico of certain flat steel, tin mill products, hot-rolled bar, cold-finished bar, rebar, certain tubular products, carbon and alloy fittings, stainless steel bar, stainless steel rod, and stainless steel wire, considered individually, do not account for a substantial share of total imports or do not contribute importantly to the serious injury or threat of serious injury found by the ITC. Accordingly, pursuant to section 312(b) of the NAFTA Implementation act (19 U.S.C. 3372(b)), I have excluded certain flat steel, tin mill products, hot-rolled bar, cold-finished bar, rebar, certain tubular products, carbon and alloy fittings, stainless steel bar, stainless steel rod, and stainless steel wire the product of Mexico or Canada from the actions I am taking under section 203 of the Trade Act.

9. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), the actions I have determined to take shall be safeguard measures in the form of:

(a) a tariff rate quota on imports of slabs described in paragraph 7, imposed for a period of 3 years plus 1 day, with annual increases in the within-quota quantities and annual re-

ductions in the rates of duty applicable to goods entered in excess of those quantities in the second and third years; and

(b) an increase in duties on imports of certain flat steel, other than slabs (including plate, hot-rolled steel, cold-rolled steel and coated steel), hot-rolled bar, cold-finished bar, rebar, certain welded tubular products, carbon and alloy fittings, stainless steel bar, stainless steel rod, tin mill products, and stainless steel wire, as described in paragraph 7, imposed for a period of 3 years plus 1 day, with annual reductions in the rates of duty in the second and third years, as provided in the Annex to this proclamation.

10. The safeguard measures described in paragraph 9 shall not apply to the products listed in clauses following clause (ix) in subdivision (b) of Note 11 in the Annex to this proclamation.

11. These safeguard measures shall apply to imports from all countries, except for products of Canada, Israel, Jordan, and Mexico.

12. These safeguard measures shall not apply to imports of any product described in paragraph 7 of the developing country that is a member of the World Trade Organization (WTO), as long as that country's share of total imports of the product, based on imports during a recent representative period, does not exceed 3 percent, provided that imports that are the product of all such countries with less than 3 percent import share collectively account for not more than 9 percent of total imports of the product. If I determine that a surge in imports of a product described in paragraph 7 of a developing country WTO member undermines the effectiveness of the pertinent safeguard measure, the safeguard measure shall be modified to apply to such product from such country.

13. The in-quota quantity in each year under the tariff rate quota described in paragraph 9 shall be allocated among all countries except those countries the products of which are excluded from such tariff rate quota pursuant to paragraphs 11 and 12.

14. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have further determined that these safeguard measures will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs. If I determine that further action is appropriate and feasible to facilitate efforts by the pertinent domestic industry to make a positive adjustment to import competition and to provide greater economic and social benefits than costs, or if I determine that the conditions under section 204(b)(1) of the Trade Act are met, I shall reduce, modify, or terminate the action established in this proclamation accordingly. In addition, if I determine within 30 days of the date of this proclamation, as a result of consultations between the United States and other WTO members pursuant to Article 12.3 of the WTO Agreement on Safeguards that is necessary to reduce, modify, or terminate a safeguard measure, I shall proclaim the corresponding reduction, modification, or termination of the safeguard measure within 40 days.

15. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal,

modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, GEORGE W. BUSH, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to sections 203 and 604 of the Trade Act, and section 301 of title 3, United States Code, do proclaim that:

(1) In order to establish increases in duty and a tariff rate quota on imports of the certain steel products described in paragraph 7 (other than excluded products), subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation. Any merchandise subject to a safeguard measure that is admitted into U.S. foreign trade zones on or after March 20, 2002, must be admitted as "privileged foreign status" as defined in 19 CFR 146.41, and will be subject upon entry to any quantitative restrictions or tariffs related to the classification under the applicable HTS subheading.

(2) Such imports of certain steel that are the product of Canada, Israel, Jordan, or Mexico shall be excluded from the safeguard measures established by this proclamation, and such imports shall not be counted toward the tariff rate quota limits that trigger the over-quota rates of duty.

(3) Except as provided in clause (4) below, imports of certain steel that are the product of WTO member developing countries, as provided in subdivision (d)(i) of Note 11 in the Annex to this proclamation, shall be excluded from the safeguard measures established by this proclamation, and such imports shall not be counted toward the tariff rate quota limits that trigger the over-quota rates of duties.

(4) Clause (3) above shall not apply to imports of a product that is the product of a country listed in subdivision (d)(i) of Note 11 in the Annex to this proclamation if subdivision (d)(ii) of such Note indicates that such country's share of total imports of the product exceeds 3 percent, or that imports of the product from all listed countries with less than 3 percent import share collectively account for more than 9 percent of total imports of the product. The USTR is authorized to determine whether a surge in imports of a product that is the product of a country listed in subdivision (d)(i) undermines the effectiveness of the pertinent safeguard measure and, if so, upon publication of a notice in the *Federal Register*, to revise subdivision (d) of Note 11 in the Annex to this proclamation to indicate that such product from such country is not excluded from such safeguard measure.

(5) Within 120 days after the date of this proclamation, the USTR is authorized to further consider any request for exclusion of a particular product submitted in accordance with the procedures set out in 66 Fed. Reg. 54321, 54322-54323 (October 26, 2001) and, upon publication in the *Federal Register* of a notice of his finding that a particular product should be excluded, to modify the HTS provisions created by the Annex to this proclamation to exclude such particular product from the pertinent safeguard measure established by this proclamation.

(6) In March of each year in which any safeguard measure established by this proclamation remains in effect, the USTR is author-

ized, upon publication in the *Federal Register* of a notice of his finding that a particular product should be excluded, to modify the HTS provisions created by the Annex to this proclamation to exclude such particular product from the pertinent safeguard measure established by this proclamation.

(7) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency.

(8) The modifications to the HTS made by this proclamation, including the Annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m., EST, on March 29, 2002, and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly reduced, modified, or terminated. Effective at the close of March 21, 2006, or such other date that is 1 year from the close of the safeguard measures established in this proclamation, the U.S. note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of March, in the year of our Lord two thousand two, and of the Independence of the United States of America the two hundred and twenty-sixth.

GEORGE W. BUSH.

ANNEX

MODIFICATIONS TO THE HARMONIZED TARIFF
SCHEDULE OF THE UNITED STATES

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 20, 2002, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting in numerical sequence the following new U.S. note, subheadings and superior text thereto, with the language inserted in the columns entitled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

"11. (a) Except as provided in this note, subheadings 9903.72.30 through 9903.74.24, inclusive, and superior text thereto apply to the specified goods entered, or withdrawn from warehouse for consumption, on or after March 20, 2002, from any country other than those expressly exempted herein. The rates of duty in such subheadings either incorporate the duty rates specified for such goods in chapters 77 or 73 of the tariff schedule or are unchanged from the pertinent provisions of such chapters. Whenever a provision covers "goods excluded from the application of relief," that term refers to specific steel products that fall within the applicable superior text to such provision but are enumerated in subdivision (b) or (c) of this note. The application of this note to goods of particular countries shall be determined by the terms of such subheadings and superior text thereto and by the provisions of subdivision (d) of this note. Goods that are--

- (i) described in the superior text to subheadings 9903.72.01 through 9903.72.15, inclusive, or the superior text to subheadings 9903.72.20 through 9903.72.25, inclusive;
- (ii) flat-rolled products of ball bearing steel (as defined in additional U.S. note 1(h) to chapter 72), provided for in heading 7225 or 7226; and--
- (iii) tubing of nonalloy steel, coated with zinc, of a diameter not exceeding 114.3 mm, internally coated or lined with a non-electrically insulating coating material, suitable for use as electrical conduit,

shall be excluded from the subheadings enumerated in the first sentence of this paragraph and no such goods shall be permitted entry under such subheadings

→ (b) For purposes of this note, the following goods, enumerated with the designation assigned to facilitate the administration of this note, shall be excluded from the application of import relief under one or more subheadings enumerated in the first sentence of subdivision (a) of this note, but the appropriate 8-digit subheading number shall be reported for such goods in addition to the 10-digit statistical reporting number appearing in chapters 1 through 97 which would be applicable but for the provisions of this subchapter.

- (i) wire rod products described in note 9(a) through (h) of this subchapter and designated as X-501;
- (ii) arctic grade line pipe as defined in note 10 to this subchapter and designated as X-502;
- (iii) oil country casing and tubing containing by weight 10.5 percent or more of chromium and designated as X-503;
- (iv) certain bars and wire rods of stainless steel having the following specifications and designated as X-504:
 - (A) "SF20T" containing by weight not more than 0.05 percent of carbon, 2 percent of manganese, 0.05 percent of phosphorus, 0.15 percent of sulfur and 1 percent of silicon; 19 percent or more but not more than 21 percent of chromium, 1.50 percent or more but not more than 2.50 percent of molybdenum; 0.10 percent or more but not more than 0.30 percent of added lead and 0.03 percent or more of added tellurium;
 - (B) "K-M35FL" containing by weight not more than 0.015 percent of carbon; 0.70 or more but

ANNEX (continued)

9

minimum coil weight of 8164.8 kg with a coil inside diameter of 40.64 cm with a steel core, with a coil maximum outside diameter of 151.13 cm, with a maximum of one weld (identified with a paper flag) per coil, with a surface free of scratches, holes and rust;

- (x) Versa-bars, the foregoing which are semi-finished products of continuous cast gray or ductile iron, of square or rectangular cross section, containing, by weight, carbon of between 2.9 and 3.7 percent, silicon of between 1.6 and 2.7 percent, and manganese of between 0.5 and 0.8 percent (provided for in subheading 7207.20.00), the foregoing designated as X-137;
- (xi) products known as "Superplast SP 300," the foregoing which are plates, pre-forged and rolled blocks or forged extra-heavy section blocks, with thickness of 152 and 1270 mm, inclusive, widths of 1990 mm, and lengths of 3048 to 3810 mm, inclusive; containing, by weight, carbon of between 0.235 and 0.265 percent, chromium of between 1.20 and 1.40 percent, manganese of between 1.20 and 1.40 percent, nickel of 0.30 percent maximum, molybdenum of between 0.35 and 0.45 percent, silicon of between 0.05 and 0.15 percent, boron of between 0.002 and 0.004 percent, sulphur of between 0.015 and 0.020 percent; exhibiting oxygen of 20 ppm (parts per million) and hydrogen of 2 ppm; if measuring between 152 and 203 mm displaying through hardness of 269 to 320 Brinnell, with a maximum dispersion of 15 bhn throughout; if measuring 203 and 1270 mm having through hardness of 290 to 320 Brinnell, with a maximum dispersion of 30 bhn throughout; all such products conforming to ultrasonic testing requirements of American Society of Testing and Materials (ASTM) A578-S9, with a 2mm flat bottom hole, and homogenous product (free of hardspots) cleanliness guaranteed per ASTM 345 method A, worst field ratings A: 1.5 maximum, B: 1.5 maximum, C: 1.0 maximum, D: 1.5 maximum, all the foregoing designated as X-083;
- (xii) products known as "NAK 55," the foregoing which are double-melted hot-rolled plastic mold steel products containing, by weight, carbon of 0.15 percent, manganese of 1.50 percent, sulfur of 0.10 percent, copper of 1.00 percent, silicon of 0.30 percent, molybdenum of 0.30 percent, nickel of 3.00 percent, and aluminum of 1.00 percent, displaying the following mechanical properties: hardness of HRC 40, yield strength (0.2 percent offset, 41 HRC) of 1010 MPa, tensile strength of 1255 MPa, reduction of 39.8 percent; elongation (in 50 mm) of 15.6 percent; modulus of elasticity at room temperature of 30.0×10^6 psi; with Charpy-notch impact strength longitudinal 9.8 J and transverse of 7.6 J; displaying the following physical properties: coefficient of thermal expansion from 20 °C to 100 °C of $11.3 \times 10^{-6} \text{ }^\circ\text{C}^{-1}$, from 20 °C to 200 °C of $12.6 \times 10^{-6} \text{ }^\circ\text{C}^{-1}$ and from 20 °C to 300 °C of $13.5 \times 10^{-6} \text{ }^\circ\text{C}^{-1}$; coefficient of thermal conductivity J/smK at 93 °C = 41.4 or at 204 °C = 42.2; having magnetic properties of maximum magnetic permeability of 380, saturated magnetism of 16,350 Gauss and residual magnetism of 8,500 Gauss, all the foregoing designated as X-134;
- (xiii) flat-rolled ripper shank alloy steel, having rounded corners with radii of at least 6 mm but not more than 25 mm; of SAE 41B30 modified chemistry containing manganese of at least 1.00 percent but not more than 1.30 percent by weight, and containing chromium of at least 0.40 percent but not more than 0.65 percent by weight; with a thickness of at least 72 mm but not more than 77 mm and a width of at least 327 mm but not more than 337 mm, or with a thickness of at least 86.5 mm but not more than 91.5 mm and a width of at least 352 mm but not more than 362 mm, or with a thickness of at least 86.5 mm but not more than 91.5 mm and a width of at least 377 mm but not more than 387 mm, or with a thickness of at least 96.5 mm but not more than 101.5 mm and a width of at least 395 mm but not more than 405 mm, or with a thickness of at least 106.5 mm but not more than 111.5 mm and a width of at least 444.5 mm but not more than 455.5 mm, the foregoing products designated as X-115 or X-148;
- (xiv) flat-rolled steel products, hot-rolled, designated as X-100, the foregoing manufactured to API Grade X-52 or higher, supplied in widths greater than 3810 mm,
- (xv) 13 percent manganese austenitic sheet, not further worked than hot rolled, containing, by weight, carbon of between 0.80 and 0.90 percent, silicon of between 0.10 and 0.45 percent, manganese of between 12.00 and 14.00 percent, phosphorus of 0.035 percent maximum, sulfur of 0.040 percent maximum, chromium of 0.50 percent maximum, molybdenum of 0.15 percent maximum, and nickel of 0.40 percent, the foregoing designated as X-032;