

DEPARTMENT OF COMMERCE**International Trade Administration**

A-201-822

Stainless Steel Sheet and Strip in Coils From Mexico; Final Results of Antidumping Duty Administrative Review

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

SUMMARY: On July 1, 2005, the Department of Commerce (the Department) published a notice entitled *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 70 FR 38099 (July 1, 2005) covering *inter alia*, stainless steel sheet and strip in coils from Mexico for the period July 1, 2004, through June 30, 2005. In accordance with 19 CFR 351.213(b)(1) and (2), the Department received timely requests that it conduct an administrative review of stainless steel sheet and strip in coils from Mexico for the period July 1, 2004, through June 30, 2005.

On August 29, 2005, we published in the **Federal Register** a notice of initiation of this antidumping duty administrative review covering the period July 1, 2004, through June 30, 2005. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 70 FR 51009 (August 29, 2005). On June 21, 2006, the Department published the preliminary results of the administrative review of the antidumping duty order on stainless steel sheet and strip in coils from Mexico. See *Stainless Steel Sheet and Strip in Coils from Mexico; Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 35618 (June 21, 2006) (*Preliminary Results*). This review covers one manufacturer/exporter, ThyssenKrupp Mexinox S.A. de C.V. (Mexinox), of the subject merchandise to the United States for the period July 1, 2004, to June 30, 2005. Based on our analysis of the comments received, we have made changes in the margin calculation; therefore, the final results differ from the preliminary results. The final weighted-average dumping margin for the reviewed firm is listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: December 22, 2006.

FOR FURTHER INFORMATION CONTACT: Maryanne Burke or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of

Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5604 and (202) 482-0649 respectively.

SUPPLEMENTARY INFORMATION:**Background**

On June 21, 2006, the Department published in the **Federal Register** the preliminary results of the administrative review of the antidumping duty order on stainless steel sheet and strip in coils from Mexico for the period July 1, 2004 to June 30, 2005. See *Preliminary Results*. In response to the Department's invitation to comment on the preliminary results of this review, Allegheny Ludlum Corporation, North American Stainless, United Auto Workers Local 3303, Zanesville Armco Independent Organization, Inc. and the United Steelworkers of America, AFL-CIO/CLC (collectively, petitioners) and Mexinox filed their case briefs on August 3, 2006. Mexinox and petitioners submitted their rebuttal briefs on August 10, 2006.

Period of Review

The period of review (POR) is July 1, 2004, to June 30, 2005.

Scope of the Order

For purposes of this administrative review, 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 currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030,

7219.34.0035, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.20.8000, 7220.20.9030, 7220.20.9060, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under review is dispositive.

Excluded from the review 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 HTSUS, "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

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the "Issues and Decision Memorandum" (Decision Memorandum) from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated December 18, 2006, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B-099, of the main Department building. In addition, a complete version of the Decision Memorandum can be accessed directly via the Internet at www.ia.ita.doc.gov/fm/index.html. The paper copy and electronic version of the Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on our analysis of the comments received, we have made the following changes to the margin calculation:

- We have revised the U.S. indirect selling expense (INDIRSU) ratio to include selling expenses and revenues received in the United States relating to Mexinox's affiliates ThyssenKrupp Nirosta North America (TKNNA) and ThyssenKrupp Acciai Speciali Terni USA, Inc. (TKAST USA).
- We have corrected ministerial errors identified by parties in the *Preliminary Results*: (1) we adjusted U.S. gross unit price to include an alloy surcharge (KASURCHU) attributed to Mexinox's U.S. affiliated reseller, Ken-Mac; (2) we adjusted U.S. gross unit price by

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

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

⁴ This 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.

converting Ken-Mac rebates (KREBATEU) from a per-pound basis to a per-hundredweight (CWT) basis; (3) we amended SAS language in the All-Macros Program to merge product-specific cost test results with home-market transactional sales data without overwriting certain transaction-specific data; (4) we modified SAS language in the All-Macros Program to appropriately limit the combined commission and CEP offset by the total

reported home-market indirect selling expenses. These changes are discussed in the relevant sections of the Decision Memorandum and the December 18, 2006, "Analysis of Data Submitted by ThyssenKrupp Mexinox S.A. de C.V (Mexinox) for the Final Results of Stainless Steel Sheet and Strip in Coils from Mexico (A-201-822)" (Final Analysis Memorandum) from Maryanne Burke to the File. See also "Cost of

Production and Constructed Value Calculation Adjustments for the Final Results" (Cost Calculation Memorandum) under Margaret Pusey to Neal M. Halper, dated December 18, 2006.

Final Results of Review

We determine the following weighted-average percentage margin exists for the period July 1, 2004 to June 30, 2005:

Manufacturer / Exporter	Weighted Average Margin (percentage)
ThyssenKrupp Mexinox S.A. de C.V.	1.16 percent

Assessment

Pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Tariff Act) and 19 CFR 351.212(b), the Department calculates an assessment rate for each importer of the subject merchandise covered by the review. Upon issuance of the final results of this review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (i.e., at or above 0.50 percent), we will issue appraisal instructions directly to U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries by applying the assessment rate to the entered value of the merchandise. To determine whether the duty-assessment rate covering the period is *de minimis*, in accordance with the requirement set forth in sections 733(b)(3) and 735 of the Tariff Act, and 19 CFR 351.106(c)(2), we have calculated an importer-specific assessment *ad valorem* rate by aggregating the dumping margins calculated for all U.S. sales to the sole importer of ThyssenKrupp Mexinox S.A. de C.V.'s subject merchandise and dividing this amount by the total entered value of the sales to that importer. Where the importer-specific *ad valorem* rate is greater than *de minimis* and because the respondent has reported reliable entered values, we will instruct CBP to apply the assessment rate to the entered value of the importer's entries during the period of review. Pursuant to 19 CFR 356.8(a), the Department intends to issue assessment instructions to CBP 41 days after the date of publication of these final results of review.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Notice of Policy Concerning Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (Assessment-Policy Notice). This clarification will apply to entries of

subject merchandise during the POR produced by Mexinox, for which Mexinox did not know that the merchandise it sold to an intermediary (e.g., a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the 30.85 percent all-others rate if there is no company-specific rate for an intermediary involved in the transaction. See the Assessment Policy Notice for a full discussion of this clarification.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of these final results for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, consistent with section 751(a)(1) of the Tariff Act: (1) the cash deposit rate for the reviewed company will be the rate listed above; (2) if the exporter is not a firm covered in this review, but was covered in a previous review or the original less than fair value (LTFV) investigation, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 30.85 percent, which is the "All Others" rate established in the LTFV investigation. See *Notice of Amended Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils from Mexico*, 64 FR 40560 (July 27, 1999). These deposit

requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR section 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR section 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act.

Dated: December 18, 2006.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix – Issues in Decision Memorandum

- Comment 1: Clerical Errors
- Adjustments to Normal Value
- Comment 2: Rental Income Received from Home Market Warehouse
- Comment 3: Level of Trade

Adjustments to United States Price
Comment 4: U.S. Indirect Selling
Expenses

Comment 5: Mexico-Incurred Indirect
Selling Expenses
Comment 6: U.S. Inventory Carrying
Costs

Cost of Production

Comment 7: General and Administrative
Expenses
Comment 8: Financial Expense
Calculation

Margin Calculations

Comment 9: Circumstance-of-Sale
Adjustment

Comment 10: Offsetting for U.S. Sales
that Exceed Normal Value
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DEPARTMENT OF COMMERCE

Minority Business Development Agency

[Docket No. 061214337-6337-01]

Amendment to the Award Period for the Queens Minority Business Development Center

AGENCY: Minority Business
Development Agency, Commerce.

ACTION: Notice.

SUMMARY: The Minority Business Development Agency (MBDA) is publishing this notice to allow for up to a 120-day funded extension, on a non-competitive basis, of the current award for the Queens Minority Business Enterprise Center (Queens MBEC) (formerly the Queens Business Development Center). The Queens MBEC was originally funded for a three-year award period commencing on January 1, 2004 and closing on December 31, 2006, pursuant to a **Federal Register** notice published on August 29, 2003. MBDA published a **Federal Register** notice on July 26, 2006 soliciting competitive applications for an operator of the Queens MBEC for the next three-year award period commencing January 1, 2007. However, the solicitation resulted in an unsuccessful competition, and MBDA intends to re-open the solicitation period to allow the public additional time to submit responsive applications to operate the Queens MBEC during the next funding cycle. MBDA is taking the actions set forth in this notice to allow for continued program delivery by the incumbent operator of the Queens

MBEC while MBDA completes the solicitation process.

DATES: The additional award period and related funding, if approved by the Department of Commerce Grants Officer, will commence January 1, 2007 and will continue for a period not to exceed 120 days.

FOR FURTHER INFORMATION CONTACT: Mr. Efrain Gonzalez, Program Manager, Minority Business Development Agency, Office of Business Development, 1401 Constitution Avenue, NW., Room 5075, Washington, DC 20230. Mr. Gonzalez may be reached by telephone at (202) 482-1940 and by e-mail at egonzalez@mbda.gov.

SUPPLEMENTARY INFORMATION: The Queens MBEC (which covers the New York counties of Queens, Nassau and Suffolk) was originally funded for a three-year award period commencing on January 1, 2004 and closing on December 31, 2006, pursuant to a **Federal Register** notice published on August 29, 2003 (68 FR 51965), as amended on September 30, 2003 (68 FR 56265).

On July 26, 2006, MBDA published a notice in the **Federal Register** (71 FR 42351) announcing the solicitation of competitive applications for an operator of the Queens MBEC for the next three-year funding cycle commencing January 1, 2007. The applications received by MBDA in response to the solicitation for the Queens MBEC did not satisfy the minimum evaluation criterion scoring requirements set forth in the notice, resulting in an unsuccessful competition. Accordingly, MBDA intends to publish a **Federal Register** notice re-opening the solicitation period for the Queens MBEC in order to allow MBDA to conduct additional outreach activities and to provide the public with additional time to submit responsive applications.

This notice amends the August 29, 2003 notice to allow for an up to 120-day funded extension, on a non-competitive basis, to the current award period of the Queens MBEC. MBDA is making this amendment to allow for continued program delivery by Jamaica Business Resource Center, the incumbent operator of the Queens MBEC, while the Agency conducts outreach activities and completes the solicitation process for an operator of the Queens MBEC for the next award cycle. The length of any extension (not to exceed 120 days) and the amount of funding necessary to carry out the extension are at the sole discretion of the Grants Officer, based on such factors as the Queens MBEC's performance, the

availability of funds, and agency priorities.

Limitation of Liability

Funding for the potential award extension listed in this notice is contingent upon the availability of Fiscal Year 2007 appropriations, which have not yet been appropriated for the MBEC program. MBDA issues this notice subject to the appropriations made available under the current continuing resolution, H.R. 5631, "Continuing Appropriations Resolution, 2007," Public Law 109-289, as amended by H.J. Res. 100, Public Law 109-369 and H.J. Res. 102, Public Law 109-383. In no event will MBDA or the Department of Commerce (Department) be responsible to cover any costs incurred outside of the current award period by the incumbent operator of the Queens MBEC if the MBEC program fails to receive funding or is cancelled because of other MBDA or Department priorities. Publication of this announcement does not oblige MBDA or the Department to award an extension to the current operator of the Queens MBEC or to obligate any available funds for such purpose.

Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements

The Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements contained in the December 30, 2004 **Federal Register** notice (69 FR 78389) are applicable to this notice.

Executive Order 12866

This notice has been determined to be not significant for purposes of E.O. 12866.

Executive Order 13132 (Federalism)

It has been determined that this notice does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

Administrative Procedure Act/ Regulatory Flexibility Act

Prior notice and an opportunity for public comment are not required by the Administrative Procedure Act for rules concerning public property, loans, grants, benefits, and contracts (5 U.S.C. 553(a)(2)). Because notice and opportunity for comment are not required pursuant to 5 U.S.C. 553 or any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are inapplicable. Therefore, a regulatory flexibility analysis is not required and has not been prepared.