



May 31, 2017

Brad Botwin  
Director  
Industrial Studies, Office of Technology Evaluation  
Bureau of Industry and Security  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W., Room 1093  
Washington, DC. 20230  
By Email: [Steel232@bis.doc.gov](mailto:Steel232@bis.doc.gov)

**PUBLIC DOCUMENT**

**Re: Section 232 National Security Investigation of Imports of Steel:  
Comments and Request for Exclusion of Certain Steel Products**

Dear Mr. Botwin

On behalf of Hitachi Metals America, LLC (“HMA”), we hereby request that the Department of Commerce (“DOC”) exclude certain steel products from its investigation initiated under section 232 of the Trade Expansion Act of 1962, as amended.

HMA is wholly owned by the Japanese company Hitachi Metals, Ltd. (“Hitachi Metals”). Hitachi Metals engages in the manufacture and marketing of high-grade metal products and materials, magnetic materials and applications, high-grade functional components and equipment, wires, cables, and related products. Hitachi Metals’ business is divided into four segments: i) High-Grade Metals Company that focuses on specialty steel, rolls, and amorphous metals; ii) Magnetic Materials Company that focuses on magnets, soft ferrite and other soft magnetic materials, and their applications; iii) High-Grade Functional Components Company that focuses on casting components for automobiles and piping components; and iv) Cable Materials Company that focuses on electric wires and cables, automotive products, and information systems.

HMA is Hitachi Metals’ regional sales and marketing headquarters for North America. HMA regional sales offices are located in New York, Chicago, Pittsburgh, Detroit, and San Jose areas. HMA imports Hitachi Metals’ products, which are woven into the very fabric of the U.S. economy.

HMA requests that the products listed in the Appendix be excluded because these steels are not used in any national security concerned products, nor pose threat of national security. These steels are either unique niche products or are domestically unavailable. They have been

historically excluded from trade remedy actions and safeguard actions<sup>1</sup>. Similarly, these steel products should be excluded from investigation or any remedy recommended by DOC under section 232 of the Trade Expansion Act of 1962, as amended.

Thank you for your consideration of HMA's request. If you have any questions, please contact us.

Respectfully submitted,

/s/Daniel Cannistra

Daniel Cannistra

Counsel for Hitachi Metals America, LLC

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<sup>1</sup> See, e.g., Exclusion of Particular Products from Actions Under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; and Conforming Changes to the Harmonized Tariff Schedule of the United States, 67 Fed. Reg. 16484, 16486 (April 5, 2002).

## APPENDIX

### List of Products for Exclusion

#### **I. The following products have been historically excluded from safeguard actions and should similarly be excluded from section 232 action:**

(viii) flat-rolled products designated as X-508, as provided below<sup>2</sup>:

(B) flapper valve steel, hardened and tempered, surface polished, measuring in thickness less than or equal to 1.0 mm and in width less than or equal to 152.4 mm, containing by weight a carbon content greater than or equal to 0.90 percent and less than or equal to 1.05 percent, a silicon content greater than or equal to 0.15 percent and less than or equal to 0.35 percent, a manganese content greater than or equal to 0.30 percent and less than or equal to 0.50 percent, a phosphorus content of less than or equal to 0.03 percent and a sulfur content less than or equal to 0.006 percent, the foregoing having a tensile strength greater than or equal to 162 kgf/mm<sup>2</sup> and hardness greater than or equal to 475 Vickers hardness number, having flatness less than 0.2 percent of nominal strip width, completely free from decarburization, spheroidal and fine within 1 percent to 4 percent (area percentage) and undissolved in the uniform tempered martensite, having non-metallic sulfide inclusion with area percentage less than or equal to 0.04 percent and oxide inclusion with area percentage less than or equal to 0.05 percent, having a compressive stress of 10 to 40 Kgf/mm<sup>2</sup>; having the following surface roughness specifications: if thickness is less than or equal to 0.209 mm, will have roughness (RZ) less than or equal to 0.5 micrometer; if thickness is greater than 0.209 mm but less than or equal to 0.310 mm, will have roughness (RZ) of less than or equal to 0.6 micrometer; if thickness is greater than 0.310 mm but less than or equal to 0.440 mm, will have roughness (RZ) less than or equal to 0.7 micrometer; if thickness is greater than 0.440 mm but less than or equal to 0.560 mm, will have roughness (RZ) less than or equal to 0.8 micrometer; if thickness is greater than 0.560 mm, will have roughness (RZ) less than or equal to 1.0 micrometer.

(Ixi) Stainless steel wire, designated as X-177 and meeting the characteristics described below<sup>3</sup>:

(A) ASL 813 rectangular or shaped wire, certified for use in the production of piston rings, the foregoing with chemical composition (percent by weight): carbon 0.60 to 0.70, silicon 0.25 to 0.50, manganese 0.20 to 0.50, phosphorus maximum

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<sup>2</sup> See Presidential Documents, Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products, 67 Fed. Reg. 10553, 10561 (March 7, 2002).

<sup>3</sup> See Exclusion of Particular Products from Actions under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States, 67 Fed. Reg. 46221, 46234-35 (July 12, 2002).

0.03, sulfur maximum 0.03, chromium 13.00 to 14.00, molybdenum 0.20 to 0.40 and remainder iron; decarburization less than 0.01 mm; and edge camber maximum of 10 mm per 1,000 mm length;

(B) ASL 874 rectangular or shaped wire, certified for use in the production of piston rings, the foregoing with chemical composition (percent by weight): carbon 0.80 to 0.95, silicon 0.35 to 0.50, manganese 0.25 to 0.40, phosphorus maximum 0.04, sulfur maximum of 0.04, chromium 17.0 to 18.0, molybdenum 1.00 to 1.25, vanadium 0.08 to 0.15, cobalt 3.8 to 4.2 and remainder iron; edge camber maximum of 10 mm per 1,000 mm length; and decarburization less than 0.01 mm;

(C) ASL 857 rectangular or shaped wire, certified for use in the production of piston rings, the foregoing with chemical composition (percent by weight): carbon 0.60 to 0.75, silicon 0.30 to 0.45, manganese 0.25 to 0.40, phosphorus maximum 0.04, sulfur maximum 0.03, chromium 14.0 to 16.0, molybdenum 0.90 to 1.15, vanadium 0.20 to 0.30, cobalt 6.0 to 8.0 and remainder iron; edge camber maximum of 10 mm per 1,000 mm length; and decarburization less than 0.01 mm;

(D) ASL 817 rectangular or shaped wire, certified for use in the production of piston rings, the foregoing with chemical composition (percent by weight): carbon 0.80 to 0.95, silicon 0.35 to 0.50, manganese 0.25 to 0.40, phosphorus maximum of 0.04, sulfur maximum 0.04, chromium 17.0 to 18.0, molybdenum 1.0 to 1.25, vanadium 0.08 to 0.15 and remainder iron; edge camber maximum of 10 mm per 1,000 mm length; and decarburization less than 0.01 mm;

(E) ASL 801 flat or shaped wire, certified for use in the production of spacer-expander (piston oil) rings, the foregoing with chemical composition (percent by weight): carbon maximum 0.12, silicon maximum 1.00, manganese 5.50 to 7.50, phosphorus maximum 0.60 percent, sulfur maximum 0.030, nickel 3.50 to 5.50, chromium 16.00 to 18.00 and nitrogen not over 0.25 percent; heat treatment condition: if 3/4 hardened material, the hardness range between 59 and 67 when measured by the Rockwell Hardness Scale using 30 kilogram force load according to ASTM-E18 or hardness range between 386 and 485 when measured by the Vickers Hardness Scale using 1 kilogram force load according to ASTM-E92; if fully annealed material, hardness less than 260 when measured by the Vickers Hardness Scale using 1 kilogram force load according to ASTM-E92; microstructure uniformly solution treated or cold worked; and edge camber 8 mm maximum per 1000 mm length; or

(F) ASL 804 flat or shaped wire certified for use in the production of spacer-expanders, the foregoing with chemical composition (percent by weight): carbon maximum 0.08, silicon maximum 1.00, manganese maximum 2.00, phosphorus maximum 0.040, sulfur maximum 0.030, nickel 8.00 to 10.50 and chromium

18.00 to 20.00; edge camber 8 mm maximum per 1,000 mm length; microstructure uniformly solution treated or cold worked.

(cxxiv) Products designated as N-361 and sometimes referred to as (but not limited to) products known as "HPM1"; the foregoing including (I) hot-rolled flat-rolled products 4.75 mm or more in thickness and whether or not rough machined, (II) hot-rolled or hot-forged hardened bars, whether or not rough machined, and (III) hardened bars, hotrolled, cold-formed and rough machined; all the foregoing with hardness 37 to 41 HRC defined by ASTM E-18; with uniform grain, heat-treated; with chemical composition (percent by weight): carbon 0.05 to 0.15, silicon not over 1.00, manganese 0.50 to 1.50, sulfur 0.05 to 0.15, nickel 2.50 to 3.50, molybdenum 0.20 to 0.70, copper 1.50 to 2.50, aluminum 0.80 to 1.50; mechanical properties as follows: 1,100 to 1,350 MPa tensile strength and 15 percent minimum elongation in longitudinal direction; maximum Charpy-notch impact energy is 12 J in longitudinal direction.<sup>4</sup>

(xlvii) wire rod products known as "DSUS 70DH wire rod" and designated as **X-177**, the foregoing of stainless steel, having the following chemical composition (in percent by weight) carbon 0.60 - 0.70; silicon maximum 0.35; manganese 0.60 - 0.80; phosphorus maximum 0.30; sulfur maximum 0.010; chromium 12.50 - 13.50; with a delivered hardness of HRB 99 maximum and hardness after heat treatment of HRC minimum 58 (quenching 1050 oC for 20 - 30 minutes AC, sub-zero -73 oC for 1 HR, tempering 180 oC for 1 Hr AC).<sup>5</sup>

(xi) Products designated as X-083, with the following characteristics<sup>6</sup>:

(C) Flat-rolled products having a width not over 600 mm, not further worked than hot rolled, of a thickness of 4.75 mm or greater, containing by weight 24 percent or more of nickel with or without other elements and composed according to specification ASTM F15.

## **II. The following items have also been excluded from antidumping cases and should be similarly excluded from section 232 action:**

- 1) Products Excluded from Antidumping Order on Stainless Steel Sheet & Strip In Coils from Japan, A-588-845<sup>7</sup>

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<sup>4</sup> See Exclusion of Particular Products from Actions under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States, 67 Fed. Reg. 56182, 56190 (August 30, 2002).

<sup>5</sup> See Presidential Documents, Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products, 67 Fed. Reg. 10553, 10580 (March 7, 2002).

<sup>6</sup> See Exclusion of Particular Products from Actions under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States, 67 Fed. Reg. 46221, 46222 (July 12, 2002).

<sup>7</sup> See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Japan, 64 Fed. Reg. 30574, 30575-76 (June 8, 1999)

- i. 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).
- ii. Flapper Valve Steel. 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 of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.
- iii. Hitachi Metals grades: GIN4 Mo, GIN5, GIN6. These 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). 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."

2) Products excluded from Antidumping Duty Order on Cold Rolled Steel Flat Products from Japan, A-588-873<sup>8</sup>

i. Ultra-tempered automotive steel (PK). Ultra-tempered automotive steel is hardened, tempered, surface polished, and meets the following specifications:

- Thickness: less than or equal to 1.0 mm;
- Width: less than or equal to 330 mm;
- Chemical composition:

Element	C	Si	Mn	P	S
Weight%:	0.90-1.05	0.15-0.35	0.30-0.50	Less than or equal to 0.03	Less than or equal to 0.006

- Physical properties:
  - Width less than or equal to 150mm
  - Flatness of less than 0.2% of nominal strip width
  - Width of 150 to 330mm
  - Flatness of less than 5 mm of nominal strip width
- Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite;
- Surface roughness: less than or equal to 0.80 µm Rz;
- Non-metallic inclusion:
  - Sulfide inclusion less than or equal to 0.04% (area percentage)
  - Oxide inclusion less than or equal to 0.05% (area percentage); and
- The mill test certificate must demonstrate that the steel is proprietary grade "PK" and specify the following:
  - The exact tensile strength, which must be greater than or equal to 1600 N/mm<sup>2</sup>;
  - The exact hardness, which must be greater than or equal to 465 Vickers hardness number;
  - The exact elongation, which must be between 2.5% and 9.5%; and
  - Certified as having residual compressive stress within a range of 100 to 400 N/mm<sup>2</sup>.

ii. Tool Steel. Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less

<sup>8</sup> See Certain Cold-Rolled Steel Flat Products From Japan: Final Results of Critical Circumstances Review, and Revocation of Antidumping Duty Order, in Part, 82 Fed. Reg. 12337, 12339 (March 2, 2017).

than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

- 3) Antidumping Order on Stainless Steel Wire Rod from Japan, A-588-843<sup>9</sup>
  - i. Hitachi Metals is excluded from this case.

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<sup>9</sup> See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod from Japan, 63 Fed. Reg. 40434 (July 29, 1998); Notice of Antidumping Duty Order: Stainless Steel Wire Rod From Japan, 63 Fed. Reg. 4938 (Sept. 15, 1998)