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February 15, 2002

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
US Trade Representatives Office
600 17th St. NW
Washington, DC 20508

RE: **X-020-Hoesch** - Further Refinement of Stainless Steel Structural Shapes Exclusion Definition **and** Response to Opposition to Amended Hoesch Exclusion Request of February 6, 2002

Dear Ms. Blue:

On behalf of Hoesch Hohenlimburg and its US joint venture subsidiary German Special Profiles LLC, we hereby submit a response to the objections by Collier, Shannon Scott dated February 11, 2002 (Counsel to Domestic Producers of Hot-Extruded Stainless Steel Profiles) to our request for exclusion of stainless steel structural shapes as modified in our submission dated February 6, 2002.

Further Refinement of Hoesch Exclusion Definition

The above-mentioned Collier Shannon presents information, which relates to manufacturers which, if they produce any, make shapes that are larger than 8", which is the upper size of standard stainless steel structural shapes. To address this red herring, Hoesch can further refine its exclusion definition as follows (changed wording underlined):

"Hot extruded stainless steel structural shapes of homogenous construction (manufactured according to ASTM A276, A479 and Federal Standard QQ-S-763; shaped U, H, I, L, and T with any vertical or horizontal dimension of 6.0 inches (152.52mm) to 8" (203.36mm) inclusive."

OR

"Hot extruded stainless steel structural shapes of unitary construction (manufactured per ASTM A276, A479 and Federal Standard QQ-S-783) shaped U, H, I, L and T with any vertical or horizontal dimension of 6.0 inches (152.52mm) to 8" (203.36mm) inclusive"

The types of large profiles that are said to be made or, more accurately, could be made by Wyman Gordon with its 35,000 ton press, Elwood Texas Forge with its 11,000 ton press and RTI with its 5,000 ton press are larger than 8". Structural shapes in the 6"-8" range are made with 2500 ton or smaller presses. The larger presses are not built to make small structural shapes economically and therefore not used for such products (See K&G Steel letter in **Exhibit 1**).

Furthermore, these companies have not solicited business for said structural shapes. Distributors who distribute such products have confirmed that they have never been contacted by these companies through sales representatives or agents and most have not even heard of these large extrusion producers. (See **Exhibit 1** – Letter from K&G Steel,one of the two or three largest US master distributors of stainless steel structural shapes. It distributes across North America through multiple distributions centers.). If these companies have never solicited structural shapes of the type included in our exclusion request and major customers have never heard of them, then obviously there are no quotes or refusals to quote from said companies.

We formerly request that USTR or the Department of Commerce (Mr. Weible) request from these companies including RTI copies of invoice for structural shapes sold which are as defined by Hoesch in its exclusion request and are between 6"-8". These should be available for public inspection. Since there is no APO procedure in place, we cannot be placed at the disadvantage of having the domestic industry rely on documents that even counsel have not seen. This is lack of due process since they are being used as the basis for creating presumptions that the respondents are being compelled to rebut. It is time for the burden of actual proof concerning the reality of suggestions to be proven by the only parties that can (e.g. the domestic industry).

This letter supplements the material earlier submitted to you on February 6, 2002 including the no quote documents included therewith. As noted therein, PMAC does not itself manufacture structural shapes as defined in our exclusion request. It is a vendor of some profiles not a manufacturer of the products we seek to exclude. We call your attention to pages 4-6 (Part II, B & C) of our earlier submission that deals with PMAC and its misleading assertions (See also K&G Letter in **Exhibit 1**).

Sincerely yours,

Frank A. Orban, III
deKieffer & Horgan

EXHIBIT 1

K&G Steel Letter

K G Specialty Steel
2500 Northlake Drive
Suwanee, Georgia 30024

770-963-9999
770-963-1153 (fax)

February 14,2002

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
US Trade Representatives Office
600 17th St. NW
Washington, DC 20508

Dear Ms Blue,

K G Specialty Steel is one of the nations largest master distributors of stainless steel structural shapes, including the type (6" – 8") that Hoesch has requested to be excluded from any Section 201 trade sanctions. We understand that the US domestic industry has suggested that Elwood Texas Forge, Wyman Gordon and RTI manufacture and sell commercially standard shapes that compete with Hoesch. This is not and has not been the case. As a major US buyer of such shapes, I can state that I have never been approached by these companies or their agents for such products and most of our sub-distributor customers have never even heard of them. Furthermore, I have not seen any information concerning their capabilities to make these types of stainless steel structural shapes in distribution trade journals such as Metal Center News or Supply House Times. To my knowledge PMAC does not extrude products over 6-1/2 inch in its facilities.

Stainless steel structural shapes in the 6" – 8" range are made only on smaller presses than these companies say they have (e.g. 5,000 – 35,000 ton presses), because of the costs associated with using big presses to make small products. Although we are expert in the product area, we are not aware of any manufacturer who has made such stainless steel shapes with large presses. If they are manufacturing and marketing these products, they just recently started.

Sincerely yours,

Bob Hunter

Bob Hunter
Product Manager