BMC

BMC Industries, Inc.
One Meridian Crossings, Suite 850
Minneapolis, MN 55423
USA
(952) 851-6000
(952) 851-6050 Fax
www.bmcind.com

November 13, 2001

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street N.W.
Washington DC 20508

Dear Ms. Blue:

Pursuant to the Notice of Request for Comments on Potential Action Under Section 203 of the Trade Act of 1974 with Regard to Imports of Certain Steel, 66 Fed. Reg. 54,321 (Oct. 26, 2001), we are submitting requests to exclude certain products from import relief under section 203.

Pursuant to 15 C.F.R. § 2003.6), we hereby request business confidential treatment for the Business Confidential Information in the attached request. The information for which business confidential treatment is requested appears in brackets. These brackets are used to indicate the BCI of BMC, specifically, the quantity and value of prior and anticipated consumption of the steel subject to this request. This information is not publicly available and disclosure of the information on a public record would be harmful to BMC's business interests. A public version of the exclusion request, from which the BCI has been deleted, is being submitted herewith.

Respectfully submitted,

Jon A. Dobson

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Executive Summary

BMC Industries, Inc. is the only US manufacturer of shadow/aperture masks, which are a component used in all color cathode ray tubes. The mask market is an intensely price competitive world market. Specialty shadow/aperture mask steel is the main material used to produce these masks. There are no domestic producers of shadow/aperture mask steel and no US-produced substitutes for this steel. As a result, BMC is required to purchase this steel from producers in Germany and Japan. The imposition of increased duties or other relief would have a significant and detrimental effect on BMC's ability to compete in the mask market. Therefore, BMC is requesting exclusion for certain shadow/aperture mask steel from relief that the President may impose under Section 203 of the Trade Act of 1974, as amended.

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Executive Secretary
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600 17th Street, N.W.
Washington, DC 20508

RE: Request to Exclude Products from Import Relief Under Section 203

Dear Ms. Blue:

BMC Industries, Inc. ("BMC") respectfully submits this request to exclude certain products from import relief under Section 203(a) of the Trade Act of 1974 ("Trade Act") in response to the Notice of Request for Comments on Potential Action Under Section 203(a) issued by the Office of the United States Trade Representative ("USTR") with regard to imports of certain steel, 66 Fed. Reg. 54,321 (Oct. 26, 2001). BMC herein requests an exclusion for certain shadow mask steel, defined below, from any increased duty, tariff-rate quota or quantitative restriction that the President may impose under Section 203(a) of the Trade Act. This request is being made to obtain an exclusion that covers certain shadow/aperture mask steel in addition to the "shadow/aperture mask steel" that is already listed as being exempt from the investigation and is listed below for clarification.

Introduction to BMC

BMC Industries, Inc. is a producer of eyewear lenses and precision etched metal products. Through its Buckbee-Mears group, BMC is the only US producer of shadow/aperture masks, a component of all color cathode ray tubes (CRT's). BMC produces masks at its Cortland, New York facility that employs more than 500 people at this facility. The Buckbee-Mears group competes directly with Japanese, Korean and Chinese shadow/aperture mask manufacturers. Specialty shadow/aperture mask steel is the main material used in producing masks, consisting of up to 60% of the cost of the final product. Despite the willingness and efforts of BMC to work with domestic steel suppliers to qualify as a source of shadow/aperture mask steel, no shadow/aperture mask steel is currently produced in the United States. BMC is required to purchase this specialty steel from sources in Germany and Japan. Imposition of an increased duty on shadow/aperture mask steel will have a severe impact on the Buckbee-Mears group's ability to compete against its foreign competition.

Material Already Exempt from this Investigation

In its request for an investigation under Section 201 of the Trade Act of the effect of steel imports, the USTR excluded certain products from the investigation. The list of excluded products included: Certain shadow/aperture mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:

Thickness: 0.011 to 0.010 inch
Width: 15 to 32 inches

Chemical Composition

Element	C
Weight %	<0.002%

Exclusions requested

In addition to shadow/aperture mask steel that was exempt from the 201 Investigation, BMC is requesting that the following shadow/aperture mask steel be excluded from any increased duties or other relief that may be imposed under Section 203 of the Trade Act.

1. G Material

Certain shadow mask steel used exclusively for manufacturing of Shadow/Aperture masks, which is aluminum killed cold-rolled steel coil that has increased tensile strength of 800 to 1200 N/mm2, ultra-flat, and which meets the following characteristics: thickness 0.001 to 0.010 inch, width: 15 to 35 inches, chemical composition: carbon content of less than 0.01 percent by weight, nitrogen content in the range 0.01-0.017 percent by weight, and manganese content in the range 0.6-0.85% by weight.

The following HTS designations are currently being used for this material depending on the width of the material:

HTS 7209182510
HTS 7211236075

2. Invar

Certain aperture mask iron-nickel low thermal expansion Invar-type alloy used exclusively for manufacturing Shadow/Aperture masks, which has an ultra-flat surface and which meets the following characteristics: thickness: 0.001 to 0.010 inch, width: 15 to 35 inches, chemical composition: nickel content in the range 30.0-37.0 percent, by weight, cobalt content up to 5.0 percent, by weight, sulfur content not more than 0.0030 percent, by weight. Thermal expansion coefficient not more than 1.5 x 10-6/0C.

The following HTS designations are currently being used for this material depending on the width of the material:

HTS 7225508015
HTS 7226925000

Basis for requesting an exclusion:

Although BMC has actively searched for a supplier within the United States, we are currently forced to purchase this steel from sources outside the United States because it has been determined that it is not produced domestically (see attached letter submitted by Cold Metal Products).

This is the third occasion in which we have faced the threat of higher steel costs in connection with an anti-dumping investigation. In each case we succeeded in obtaining an exemption for shadow/aperture mask steel from prior investigations because there is no domestic source of shadow/aperture mask steel. In obtaining these prior exemptions, however, we faced numerous roadblocks from many domestic steel suppliers. With the exception of only one steel supplier, none of the domestic steel producers who fought prior requests for an exemption from imposition of countervailing duties has approached BMC to obtain qualification. The domestic supplier that has approached Buckbee-Mears is Cold Metal Products ("CMP"). It should also be noted that BMC has been more than willing to test material from CMP and to help achieve approval from a domestic steel supplier such as CMP. In further support of this request, we have enclosed the following documents regarding previously obtained exclusions from countervailing duties and a supporting letter from the only known prior domestic supplier of shadow/aperture mask steel (CMP):

(1) Letter dated August 5, 1999 from counsel on behalf of US steel producers supporting the exemption of shadow mask steel from the 1999 anti-dumping investigation.

(2) Letter dated October 19, 2001 from Cold Metal Products, the only prior domestic steel producer of shadow/aperture mask steel, confirming its inability to produce shadow/aperture mask steel meeting the requirements of BMC.

Information regarding Producers

Germany
Wickeder Wesfalenstahl
GmbH
Unterberchum 30
58093 Hagan, Germany

Japan
Toyo Kohan Co., Ltd
2-12 Yonbancho
Chiyoda-ku
Tokyo 102-8447

Japan
Nippon Mining (Nikko)
3 Kurami,SamukawaMachi
Koza-Gun
Kanagawa
Japan, 253-0101

Japan
Hitachi Metals, Ltd
Yasugi Works & Metallurgical Research Laboratory
2107-2
Yasugi-cho
Yasugi-shi
Shimane, Japan

United States
There are no known producers in the United States and there are no known US-produced substitutes for the shadow/aperture mask steel that is the subject of this request.

Consumption and HTS Numbers

Total Consumption for products not already excluded from the investigation that will be purchased under the following HTS numbers for which BMC is requesting exemption:

HTS 7209182510
HTS 7211236075

YEAR	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Metric Tons										
VALUE ($000'S)										

Basis for projection: This is a new product that is being purchased for a new CRT design. Material is similar to that which is already exempt but has a much higher carbon content causing it to fall outside of the current exemptions. Projection based on current marketing information obtained from the CRT business.

Total Consumption for products not already excluded from the investigation that will be purchased under the following HTS numbers for which BMC is requesting exemption:

HTS 7225508015
HTS 7226925000

YEAR	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Metric Tons										
VALUE ($000'S)										

Basis for projection: Projection based on current marketing information and obtained in the CRT business by BMC marketing department.

For the reasons stated, BMC requests that shadow/aperture mask steel as described in this request be excluded from the imposition of any increased duty, tariff-rate quota or quantitative restrictions that may be imposed under Section 203 of the Trade Act.

BMC would be pleased to provide any additional information and answer any questions of the USTR. Please contact me at the address and/or telephone number listed above. Thank you in advance for your consideration and assistance.

Sincerely,

Jon A. Dobson
Vice President, Human Resources
General Counsel and Secretary

Attachments

August 5, 1999

Inv. Nos. A-357-811 731-TA-829
Inv. Nos. A-351-830 731-TA-830
Inv. Nos. A-570-854 731-TA-831
Inv. Nos. A-560-807 731-TA-832
Inv. Nos. A-588-849 731-TA-833
Inv. Nos. A-821-810 731-TA-834
Inv. Nos. A-859-801 731-TA-835
Inv. Nos. A-791-807 731-TA-836
Inv. Nos. A-583-834 731-TA-837
Inv. Nos. A-549-814 731-TA-838
Inv. Nos. A-489-808 731-TA-839
Inv. Nos. A-307-815 731-TA-840
Inv. Nos. C-351-831 701-TA-393
Investigation
Total Pages: 5

PUBLIC DOCUMENT

DELIVERY BY HAND

The Honorable William M. Daley
Secretary of Commerce
Attn: Import Administration
Central Records Unit, Room B-099
U.S. Department of Commerce
Pennsylvania Avenue and 14th Street, N.W.
Washington, D.C. 20230

The Honorable Donna R. Koehnke Secretary
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

Re: Antidumping Duty Investigations of Certain Cold-Rolled Carbon-Quality Steel Flat Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey and Venezuela; Countervailing Duty Investigation of Certain Cold-Rolled Carbon-Quality Steel Flat Products from Brazil

Dear Secretaries Daley and Koehnke:

On behalf of Bethlehem Steel Corporation, Gulf States Steel, Inc., Ispat Inland Inc., LTV Steel Company, Inc.,

National Steel Corporation[1], Steel Dynamics, Inc., U. S. Steel Group, a unit of USX Corporation, and Weirton Steel Corporation, Petitioners in the above-captioned investigations, we request that the U.S. Department of Commerce (the "Department") amend the scope of these investigations to exclude certain cold-rolled steel coil commonly referred to as "shadow mask" steel used for color television picture tubes and data display tubes for computer monitors.

Petitioners agree that the product described below should be excluded from the scope of these investigations:

> Shadow mask steel -- aluminum-killed cold-rolled steel coil that is open-coil annealed, with a carbon content of less than 0.002 percent, is of 0.001 to 0.010 inches in thickness, 15 to 32 inches in width, having an ultra flat, isotropic surface.

This request for amendment is filed pursuant to 19 C.F.R. 351.202(e). Petitioners certify to the Department that this request has been filed on the same day with the U.S. International Trade Commission.

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1 National Steel is not a petitioner in the case regarding Japan.

Please contact any of the undersigned should you require clarification of any aspect of this submission.

Respectfully submitted,

John J. Mangan
Skadden, Arps, Slate,
Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
(202) 371-7000

Michael H. Stein
Dewey Ballantine LLP
1775 Pennsylvania Ave, N.W.
Suite 200
Washington, D.C. 20006
(202) 862-1000

Roger B. Schagrin
Schagrin Associates
1100 15th Street, N.W.
Washington, D.C. 20005
(202) 223-1700

cc: Richard Weible, Room 7863
Steve Bezirganian, Room 7863
Nancy Decker, Room 7857

COLD METAL PRODUCTS

Specialty Products Division
45 South Montgomery Avenue • P.O. Box 6078 • Youngstown, OH 44501
330/746/6311 • 330/742/1200 fax • coldmetal.com

Your Solutions in Steel
Cold Metal Products – Specialty Products Division
Youngstown, OH

Date: 10-19-01

BMC Mask Operations
5791 Route 80
Tully, NY. 13159
Attn: Dave Welsh

Dave;

As we discussed, Cold Metal Product. Specialty Products Division has reviewed our potential to manufacture raw material for the Aperture Mask market. These products include material:

Low Carbon Steels

1. Under .361mm x 600mm or more (Harmonized Tariff code 7209.18.2510)
2. Under .250mm x 300mm or less (Harmonized Tariff code 7211.23.6075)

High Nickel Alloy Steels

3. Under 4.750mm x 600mm or more (Harmonized Tariff code 7225.50.8015)
4. Under .250mm x 300mm or less (Harmonized Tariff code 7226.92.700)

As of this time and for the foreseeable future (not until late 2004/2005), we are unable to produce these products within the acceptable quality requirements of your company.

Although, in conjunction with RCA, we develop this application almost 50 years ago the requirements of your industry has moved beyond the current capabilities our company and to the best of our knowledge any of our known domestic competitors.

We regret in having to send this letter, as we know that you continue to search for a domestic supplier. We hope in the future that Cold Metal Products can fill this supply void with companies like BMC.

Sometime in the near future, Ray Torok President of Cold Metal Products, Inc. will be forwarding additional information on this subject.

Kind Regards,

J. C. Pyle
Director of Commercial
Cold Metal Products – Specialty Products Division
45 South Montgomery Ave.
Youngstown, OH 44501

Cc. R. Torok
A. Munera