



POWERED BY **UPG**

## **Rust/Stain Policy**

Rust, stains and discolorations are imperfections which can occur at various stages. The producing facility, while in storage, while in transit, or during processing are examples of where these can occur. These imperfections can be minimized or prevented by using rust prohibitive coatings (oil, prelube, drylube, etc.), the proper packaging, maintaining optimum storage conditions, ensuring good practices while processing, and using preferred modes of transportation. Rust, staining, and discolorations are a function of oxidation which occurs over time. Therefore when time is used as a guideline to determine the accountability of a claim the time starts at the origination of the product in its finished stage from the producing facility. Because many conditions or circumstances can lead to these types of imperfections, all claims are subject to investigation by a designated Chicago Steel Representative prior to allowance or disposition.

- **Responsibility**

It is the customer's responsibility to specify the appropriate oiling/lubrication, packaging and shipping requirements to provide optimal delivery and protection of the material. In the event that the proper protection is not specified, Chicago Steel may recommend alternative packaging and methods, but the final responsibility for ensuring the material is properly protected rests with the customer. If adequate practices are not specified then the customer or their subcontractors will be considered responsible for the material condition.

- **Guidelines for Rust**

Dry Product – Chicago Steel will not guarantee the prevention of rust on any dry product. In the event that it is clearly evident that Chicago Steel's processes or environment is cause of the rust Chicago Steel will honor the claim.

3.1 Export Shipments – Export shipments are not subject to rust claims.

3.2 Cold Roll, Hot Roll, Stainless, Zn and Al Coated Products

3.2.1 Light Oil – 100 mg/ft sq – 30 days

3.2.2 Medium Oil – 150 mg/ft sq – 60 days

3.2.3 Heavy Oil – 200 mg/ft sq- 90 days

3.3 Dry Film Lube – Product with Dry Film Lube is not guaranteed by Chicago Steel since we do not apply the Dry Lube to the steel. Like dry product Chicago Steel will honor any claims where it is clearly evident that Chicago Steel's processes or environment is cause of the rust Chicago Steel will honor the claim.

3.4 In cases where Chicago Steel does not contract the carrier transit claims for rust will not be accepted.

3.4.1 Transit rust exhibits evidence of water having penetrated the coil generally resulting in rust in localized areas coming in from the edges.

3.4.2 It is the responsibility of the company receiving the material to document at receipt the weather conditions, equipment condition, the type of truck that was used, coil conditions and to acquire photos of wet or damaged coils. These are needed for Chicago Steel to assist in any type of Transit related claim.

3.5 Condensation Rust – Condensation rust is the result of product going through large swings in temperature. Though Chicago Steel will do everything it can to help reduce the effects of a condensation condition it will not accept claims for condensation that occurs from elements that occur in transit or at other facilities both prior to and post Chicago Steel.

- **Guidelines for Stains/Discoloration**

4.1 Chicago Steel's Tension Level Process will leave a light stain from its wash and/or rinse sections whenever a line stop is necessary. At a minimum the line must be stopped whenever a coil is charged and discharged off of our line. The stains are typically light in nature and are limited to the length of our wash (approximately 35') and rinse (approximately 12') sections. For most product the wash section will not leave a stain that is easy to detect. For cold roll material the rinse section will leave a light stain that can be seen but will cover when painted. For Zn and Al coated product the wash section will leave a stain that is visible but typically will also cover with paint. If requested, the stain that is near the tail or OD of the coil can be cropped out. Chicago Steel will not honor any claims for stains that are induced from our normal process.

4.2 Dry Product – Chicago Steel will not guarantee the prevention of stains of stains or discoloration on any dry product.