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The Honorable Wilbur L. Ross
U.S. Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

VIA EMAIL
aluminum232@bis.doc.gov

Re: Public Comment of Vollrath Company Regarding the Section 232 National Security Investigation of Imports of Aluminum

Dear Secretary Ross:

These comments are filed on behalf of the Vollrath Company of Sheboygan, Wisconsin with respect to the Section 232 National Security Investigation of Imports of Aluminum.

Vollrath is filing public comments pursuant to Notice of Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Aluminum, 82 Fed. Reg. 21508 (May 9, 2017) and Change in Comment Deadline for Section 232 National Security Investigation of Imports of Aluminum, 82 Fed. Reg. 25597 (June 2, 2017).

I. BACKGROUND

Vollrath is a family-owned manufacturer of smallwares and equipment in the global commercial foodservice industry based in Sheboygan, Wisconsin. The company has been in Sheboygan since its predecessor company was started in 1874. Over the past 140 years Vollrath has continuously committed to innovation and maintaining a manufacturing work force in the United States. Vollrath has introduced innovations ranging from cast iron utensils enameled with

speckled enamel (patented in 1889) to improved cup and lid dispensers that help ensure that restaurant patrons are not exposed to unhygienic materials (introduced in 2012). The company maintains a strong commitment to manufacturing in the United States and maintains six manufacturing plants in the United States employing over 1,100 workers including those involved in the production of aluminum cookware and bakeware. Over 75 % of the products sold by Vollrath undergo manufacturing processes in the United States. Vollrath writes today to ask the Department of Commerce to ensure that it does not unintentionally and unnecessarily penalize American manufacturers that use aluminum in its effort to ensure that the country's security needs for aluminum are met.

II. ANY 232 ACTION SHOULD BE NARROWLY TAILORED

Because Vollrath is committed to manufacturing high-quality finished aluminum goods in the United States, the company is deeply concerned about the implementation of any actions or steps that might follow from this investigation. It is very important that any actions or steps taken pursuant to the 232 investigation be as narrowly tailored as possible to protect U.S. security interests without unnecessarily hobbling manufacturers in the United States.

Among other articles, Vollrath manufactures warming, baking and cooking pans in the United States from aluminum coil. Approximately 90% of the aluminum coil Vollrath uses in the production of its aluminum cookware is sourced in the United States. Further, all stamping and other necessary manufacturing operations take place in Vollrath's plants in Kiel, Kewaunee and Menominee Falls, Wisconsin. This is important because Vollrath competes in the marketplace with products made in countries with both lower labor and material costs. Almost all of Vollrath's competitors in the U.S. market for these products import their finished goods from suppliers in Asia or India. The aluminum feed stock (3000 series) Vollrath uses is not produced

with attributes useful in the defense industry, and is not used in applications implicating U.S. national security.

Vollrath also stamps steamtable pans in the United States using stainless strip. Vollrath is the sole remaining domestic manufacturer of these products in the United States. The company's experience with respect to its manufacturing stainless steel pans reflects the company's concerns about the Aluminum 232 investigation. Since April 2016, when antidumping and countervailing duty orders were imposed on stainless steel sheet and strip from China, the price for this essential material for Vollrath's production in the United States has risen dramatically (roughly 30%). The price for both domestically produced and imported sheet and strip have increased as a result of the imposition of antidumping and countervailing duties. However, during the same period the price of nickel—the primary element in stainless steel—has fallen by even more (roughly 40%). Absent the trade remedies applied to stainless steel sheet and strip, the price of stainless strip would have been expected to decline in line with nickel prices.

Unfortunately for Vollrath, the price of stainless steel sheet and strip in countries without trade remedies applied to the products has fallen with the price of nickel. Consequently, manufacturers in China are able to produce finished goods for export to the United States with both lower cost labor, and lower material costs. While the stainless steel sheet and strip manufacturers have gained protection, manufacturers like Vollrath have been put at a competitive disadvantage by manufacturing in the United States. Such an outcome should never be U.S. government policy.

Currently, Vollrath has invested in excess of \$10 million in its capacity for production of aluminum cookware in the United States. Despite this commitment to manufacturing and sourcing in the United States, Vollrath's competitiveness as a United States manufacturer will be seriously endangered if the price of aluminum coil is artificially inflated as a result of the

imposition of significant duties. Vollrath believes that there are many companies in many industries that use non-defense aluminum raw materials that would face similar pressures on their ability to manufacture in the United States. However, narrowly-tailored action that addresses only defense-related aluminum products would be a step to help ameliorate this pressure.

III. CONCLUSION

Aluminum raw materials are used by a wide variety of manufacturers in the United States. Most of the aluminum products used by these manufacturers do not have attributes relevant to national defense uses. As such, Vollrath requests that any action taken pursuant to this investigation be narrowly-tailored to address only aluminum grades and products that directly implicate national security concerns. Ideally such action would protect American national security while also not hindering the competitiveness of American manufacturing.

Please do not hesitate to contact us if you have any questions about this about this submission.

Respectfully submitted,

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