



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.
Washington, DC 20230

via e-mail: Steel232@bis.doc.gov

***RE: Request for Public Comments on Section 232 National Security
Investigation of Imports of Steel***

Dear Mr. Botwin:

On behalf of Arundel Machine Tool Co. Inc., located in Arundel, Maine with 93 employees, I ask that any action resulting from the 232 investigation not further restrict access to globally priced and readily available steel that thousands of companies like ours need to employ millions of Americans and support our national security.

Arundel Machine is an industrial consumer of steel, making engine, actuator and other complex components for the aerospace, defense, DOE, semiconductor and navy nuclear industries. Our company manufactures dies, tooling, and foundries and relies on free markets to set terms for our contracts and raw materials. Steel accounts for roughly 15% of our input costs, without access to steel when we need it, we cannot operate or continue to employ those Mainers and support our nation's defense. I am very concerned that tariffs and import quotas on steel pose a serious threat to the defense industrial base causing major disruptions.

Even for those of us not importing certain steel products, imposing tariffs artificially increases prices while decreasing availability through quotas. Manufacturers already face significant burdens imposed by our own government from taxes to EPA regulations to OSHA overreach, restricting access to raw materials will only worsen our global competitiveness.

20 TECHNOLOGY DRIVE
ARUNDEL, ME 04046
TEL: (207) 985.8555 | FAX: (207) 985.8777



Compounding the situation is the Department of Commerce's recent decision to reverse thirty-five years of precedent and no longer exempt tool steel from duties imposed on cut to length plate. The U.S. Government for decades considered tool and die steel a distinct industry in a wide variety of U.S. antidumping and countervailing duty investigations, safeguard proceedings, and Congressionally-mandated economic studies. The U.S. International Trade Commission (ITC), the Department, and the U.S. steel industry have all treated tool steel as a distinct and separate product from other types of carbon and alloy steel and stainless steel.

Combined duties on tool and die steel are now over 200% at a time when companies like ours struggle to source the raw material that is not manufactured in the U.S. in the quantities needed. This poses a significant national and economic security concern when downstream steel suppliers cannot source our primary input on a timely basis or are forced to pay duties and/or tariffs on imports of products not even manufactured in the U.S.

Smaller downstream manufacturers typically do not have the ability to pass those costs along to customers. Even in cases when our customers will absorb the new price increases, the duties make the final U.S. product more expensive and encourages industrial and personal consumers to seek a cheaper final product imported without any taxes imposed.

If the President decides to move forward with applying tariffs or imposing quotas, on behalf of the jobs we provide and the millions of steel consuming employees like them nation-wide, we ask that you exclude steel used in manufacturing tools and dies such as cut to length plate. While manufacturers will still face more than 200% duties due to the ITC decision, an exclusion will not cause further harm to manufacturers in Maine and around the country. Unilateral action on all steel products would cause serious harm across the entire economy.

Thank you for your consideration of the impact action will have on manufacturing.

Sincerely,

A handwritten signature in blue ink that reads 'Patrick'.

Patrick Shrader
Vice President, Sales

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