



ASSOCIATION OF
EQUIPMENT MANUFACTURERS

AGRICULTURE
CONSTRUCTION
FORESTRY
MINING
UTILITY

May 30, 2017

Mr. Brad Botwin
Director, Industrial Studies
Office of Technology Evaluation
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave, NW
Washington, DC 20230

Re: **Docket I.D. No.: 2017-08499**

Dear Mr. Botwin:

On behalf of the Association of Equipment Manufacturers (AEM) and our 950 member companies that manufacture equipment and provide services for the construction, agriculture, utilities and mining sectors worldwide, we would like to thank you for this opportunity to provide comments on Sec. 232 National Security Investigation of Imports of Steel.

Equipment manufacturers in the United States employ nearly 1.3 million Americans, contribute \$159 billion to the U.S. economy and raise over \$25 billion in federal and state taxes each year. Manufacturing equipment in America frequently requires the sourcing of steel products from around the world. While manufacturers in the United States often procure steel from domestic suppliers, they at times must source steel from international producers because the steel's formula matches a specific spec required to ensure a piece of equipment's proper function and performance that isn't otherwise available in the United States. Inhibiting access to foreign steel will force manufactures to procure steel from a domestic supplier that may not match required specifications, thus degrading the quality and performance of the equipment and risking operational safety concerns. In cases where a particular type of steel is available from domestic suppliers, a sudden surge in demand will likely lead to extended procurement timeframes and delays in the manufacturing process.

Restricting the import of foreign steel will also ultimately have a very negative impact on the manufacturing competitiveness of the United States as domestic steel prices rise, and global steel prices fall when steel originally destined for the US enters global markets. With nearly 30 percent of equipment manufactured in the U.S. designated for export, U.S. manufactured exports will become uncompetitive in many global markets if manufacturers are forced to pay higher prices for necessary steel inputs. In addition, restricting raw material imports hurts American jobs by driving up the costs of value-added manufacturing in the U.S. Furthermore, imported manufactured equipment will become much more competitive in the U.S. market as foreign manufacturers are able to produce and sell equipment at a much lower price by leveraging global steel markets.

1000 Vermont Avenue, NW
Suite 450
Washington, DC 20005

T 202.898.9064
F 202.898.9068

HEADQUARTERS: MILWAUKEE, WI
OFFICES: WASHINGTON, DC OTTAWA, CANADA BEIJING, CHINA
EUROPEAN RESOURCE: BRUSSELS, BELGIUM

WWW.AEM.ORG
AEM@AEM.ORG
Toll Free: 866.AEM.0442

Our industry applauds the efforts of the Trump Administration to increase domestic steel production through regulatory reform and federal infrastructure investment. Maintaining and expanding domestic steel production is in the interest of our national defense and the economic wellbeing of American manufacturers. However, any actions taken to boost domestic steel production should not undermine the competitiveness or quality of goods manufactured in America.

We look forward to continuing to work together to reinforce our domestic manufacturing base and strengthen our national economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Yaksich". The signature is fluid and cursive, with the first name "Nick" being more prominent than the last name "Yaksich".

Nick Yaksich
Vice President, Industry and Government Affairs
Association of Equipment Manufacturers (AEM)