



**Ball Corporation**

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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 Avenue, NW – Room 1093  
Washington, DC 20230

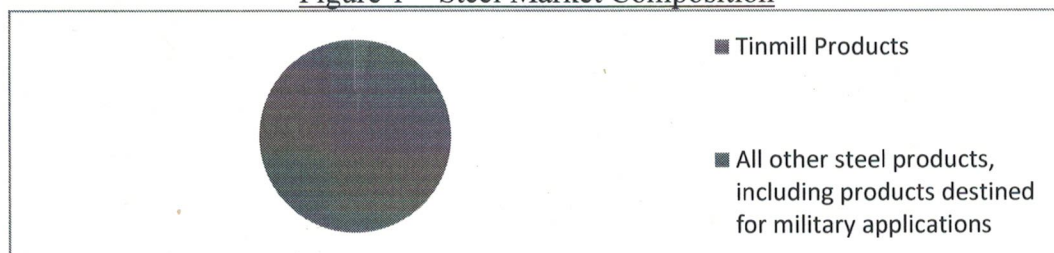
Re: *Comment on Section 232 National Security Investigation of Imports of Steel*

Dear Mr. Botwin:

I am writing on behalf of Ball Corporation and its affiliates, including Ball Metal Food Container, LLC. Ball Corporation is a Fortune 500 manufacturing company with a 137-year history of providing manufacturing jobs in the United States. Today, Ball employs 7,745 individuals in thirty-two states. Each year, Ball produces approximately 3.7 billion metal food and aerosol cans for customers and consumers located in the United States. To produce these products, Ball purchases large quantities of tin mill steel products, including electrolytic tinplate classified under subheading 7210.12.0000 of the Harmonized Tariff Schedule of the United States (HTSUS), carbon tinplate classified under subheading 7210.12.0000 of the HTSUS, carbon protact steel classified under subheading 7210.70.6090 of the HTSUS, carbon tin free steel classified under subheading 7210.50.0000 of the HTSUS, laminate steel classified under subheading 7210.50 of the HTSUS, alloy tinplate, alloy protact, and alloy tin free steel classified under subheading 7225.99.0090 of the HTSUS, and other tin free steel classified under subheading 7210.50.0000 of the HTSUS (collectively, the “Tin Mill Products”). We are concerned that some of these Tin Mill Products may be included within the scope of the investigation into steel imports, which was recently initiated by the U.S. Secretary of Commerce (“Commerce”) under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) (the “Investigation”), and we are writing to request that the Investigation exclude Tin Mill Products.

The Tin Mill Products we purchase are not properly within the scope of an investigation aimed at furthering our national security interests. As shown below in Figure 1, Tin Mill Products represent about only 2.0% of the overall steel market, and we use the Tin Mill Products we purchase exclusively for the production of metal food and aerosol cans. Additionally, the Tin Mill Products that we purchase are not, to our knowledge, used by the U.S. Department of Defense, nor do these Tin Mill Products have any defense applications. Instead, Tin Mill Products are used to make food cans, aerosol cans, oil filters, paint and general line cans as well as specialty containers, such as cookie tins.

Figure 1 – Steel Market Composition



Between 2011 and 2016, Ball invested over \$250 million in its U.S. food and aerosol can manufacturing capabilities to improve production efficiencies and properly maintain manufacturing assets. These investments and the consumer products we have delivered for decades require high quality tinplate; however, the Tin Mill Products we purchase are not available from domestic suppliers in sufficient quality or quantities to meet our manufacturing needs and the product specifications of our customers. Unfortunately, domestic producers of Tin Mill Products have not prioritized investments to improve tinplate steel production or quality. As a result, Ball has experienced unacceptable on-time delivery rates, insufficient quantities, and poor quality from domestic producers. Reject rates from domestic suppliers are 300% to 400% higher than those from import suppliers. Additionally, the on-time delivery rates of domestic suppliers have been consistently unacceptable. To ensure timely access to tinplate steel in the quantities and of the quality needed to keep our plants running and our workforce productive, Ball has been forced to seek reliable supply from outside the United States, primarily from Western Europe.

Applying a tariff, import restriction, or any other trade action to any Tin Mill Products would have a severe negative economic impact on Ball and its employees. Like most companies in our industry, our business is based on selling a high volume of products at relatively low margins. The prices for these Tin Mill Products are not artificially low, and even a minimal increase in the price of these raw materials could force partial or full closure of some of our plants across the U.S. resulting in the loss of high paying manufacturing jobs.

In addition to the immediate, direct, and potentially debilitating damage that an imposed tariff or other trade action could have on our company and our industry, the threat posed by even a low tariff on these Tin Mill Products would be disruptive, and would dramatically curtail our investment and hiring in the United States. Companies in our industry typically operate on long-term contracts and depend on predictability in supply and prices. An imposed tariff on imported Tin Mill Products would result in greater uncertainty about future prices, the availability of supply, the availability of financing, higher prices, and fewer alternatives for companies like ours. Such disruption to our supply chain would ultimately harm U.S. consumers that rely on affordable canned food for their nourishment.

With these concerns in mind, we respectfully request that Commerce draw a distinction between the Tin Mill Products that we purchase, and those very different forms of advanced and proprietary steel products with military applications and national defense implications. Drawing this important distinction would be in the best interests of Ball, our employees and, we believe, the United States of America.

Please contact us at the contact information listed below with any questions or comments. Thank you for your time and consideration.

Sincerely yours,



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