

CROWN Cork & Seal USA, Inc.
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PUBLIC VERSION
Business Proprietary Information, Exhibit 2
Exempt from Disclosure under FOIA
5 U.S.C. §§ 552(b)(4)

May 31, 2017

Brad Botwin, Director Industrial Studies
Office of Technology Evaluation
Bureau of Industry and Security
U.S. Department of Commerce
Room 1093
14th and Constitution Avenue, NW
Washington, DC 20230

Re: **Section 232 National Security Investigation of Global Steel Imports**

Dear Mr. Botwin:

Crown Cork & Seal USA, Inc. (“Crown”) is a manufacturer of metal packaging (steel and aluminum) headquartered in Philadelphia, Pennsylvania. Crown was founded in Baltimore, Maryland in 1892. Crown has 31 manufacturing facilities in the United States that produce billions of products each year. Eighteen of those facilities use steel as a raw material. Crown employs 3,846 people in the United States.

The products Crown manufactures that may be affected by the steel investigation are Food cans, Aerosol cans, Metal Vacuum closures (bottle and jar lids), and Specialty tins (cookie tins, mint tins, etc.). These products are produced from Tin and Chromium coated steel. Attached as Exhibit 1 is a listing of ASTM standards for both the Tin and Chromium coated steel products.¹ Crown buys its Tin and Chromium coated steel from both domestic and foreign steel mills. Crown often sources steel from foreign mills to fill the demand for specifications the US mills cannot produce and for products that require a higher level of quality and delivery than the US mills can supply.

Crown’s customers produce consumer goods. Their products include canned food for humans and pets, health care items, insect repellants, paint, lubricants and beverages.

Crown does not believe that the importation of Tin and Chromium coated steel threatens the national security of the United States. Trade barriers on Tin and Chromium coated steel are certain to have a detrimental effect on our workers, our industry, our customers and consumers. The following facts support our stance:

¹ Exhibit 1 – List of ASTM Standards.

- **No defense applications:** We are not aware of any significant defense application for Tin and Chromium coated steel, and the large U.S. steel industry is in a position to meet any national security defense requirements that may arise for Tin and Chromium coated steel. We also point out that allowing import of Tin and Chromium coated steel will decrease the need for domestic producers to reserve capacity for this non-defense product line and will increase the capacity of the U.S. steel industry to produce those steel products that do have defense applications.
- **Allied supply:** A significant portion of the volume of imports is coming from countries that are considered U.S. allies (The Netherlands, Canada and Germany).
- **Higher Costs to Consumers:** Punitive tariffs, quotas, or other trade actions will increase the domestic price of Tin and Chromium coated steel. The increased cost will be passed through the supply chain to the consumer which will result in inflation of pricing of consumer goods (baby food, canned food, insect repellent, nutrition drinks, personal care items, etc.).
- **Price increases:** The U.S. market already has the highest price for Tin and Chromium coated steel of all the large global markets.² Crown consumes Tin and Chromium coated steel in most markets globally and is in position to identify prices in the world market.
- **No Displacement:** Imports are not displacing certain domestic products in any meaningful way. U.S. producers are the dominant suppliers of Tin and Chromium coated steel and imports complement the offerings of the large U.S. mills.
- **Quality Problems; Inefficiencies; and Product Substitution:** Trade barriers will compel can makers to source solely from U.S. steel mills that have higher reject rates and poorer on-time delivery than the foreign mills. Some products, such as laminated steel, will be unavailable to our customers, which may encourage them to move away from metal packaging entirely. The exclusion of the wide-width coils that are not available from American mills will compel us to run our plants inefficiently. Finally, the domestic mills, which are unable to keep up with their current order book, will struggle even harder to satisfy a spike in demand.
- **Risk to Jobs and Markets:** Steel accounts for over half the cost of most of our can products. A significant increase in raw material cost may lead to an erosion of volume and profit for can makers as our customers seek out alternate, less expensive packaging solutions. That will almost certainly cause a loss of U.S. jobs in the metal packaging industry.

Even if the Department of Commerce concludes that Tin and Chromium coated steel should be subject to trade sanctions under Section 232, which we do not believe should be the case, we would ask for exclusions for the following specific products for the reasons set forth below:

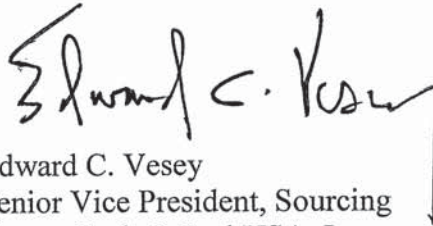
1. Polymer laminated steel [HTS# 7210.70.]. There are no U.S.-based producers of this product.

² See Exhibit 2 which is information from a subscription service. Exhibit 2 contains business confidential information consisting of price information that is not available to the public. A statement justifying non-disclosure and a non-confidential version of the Exhibit are provided with this letter, pursuant to 28 C.F.R. § 16.7.

2. Tin and Chromium coated steel coils greater than 45 inches in width [HTS ## 7210.90.6000 and 7210.50.0000. This is a tariff subheading which also covers other products]. There are no U.S. mills that are capable of producing this width.
3. Low temper (T1) Tin and Chromium coated steels [HTS ## 7210.90.6000 and 7210.50.0000. This is a tariff subheading which also covers other products]. The U.S. mills are not capable of producing low temper specifications.

Crown encourages the Department not to recommend trade barriers to be implemented on Tin and Chromium coated steel products. Trade barriers have the potential to result in job loss in the metal packaging industry and inflation for consumer goods.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward C. Vesey". The signature is written in a cursive style with a long, vertical tail on the final letter.

Edward C. Vesey
Senior Vice President, Sourcing
Crown Cork & Seal USA, Inc.

Statement of Non-Disclosure of Business Confidential Information

In accordance with the Department's instructions, business confidential information is contained in **Exhibit 2**. A non-confidential submission is also provided. *See Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel*, 82 Fed. Reg. 19,205, 19,206 (Apr. 26, 2017).

Exhibit 2 includes confidential pricing information that Crown obtained through a private subscription provider. The information is not publicly available. Crown is not a copyright holder of the information or authorized to make it public. Accordingly, Crown requests that the Department treat **Exhibit 2** as confidential commercial information and not release the information, pursuant to 5 U.S.C. § 552(b)(4) and 28 C.F.R. § 16.7. Crown requests that the Department not release this information in any request under the Freedom of Information Act ("FOIA") because its release would cause substantial harm to its competitive position and implicate third party copyrights. Crown conducts business in a highly competitive industry, and the release of price information that is not publicly available would cause substantial commercial harm under Exemption 4.

EXHIBIT 1

ASTM Standards

ASTM Designation	Standard Specification For:
A650/A650M-13	Tin Mill Products, Black Plate, Double Reduced
A626/A626M-13	Tin Mill Products, Electrolytic Tin Plate, Double Reduced
A625/A625M-13	Tin Mill Products, Black Plate, Single Reduced
A657/A657M-03	Tin Mill Products, Black Plate Electrolytic Chromium-Coated, Single and Double Reduced
A624/A624M-03	Tin Mill Products, Electrolytic Tin Plate, Single Reduced
A623-08	Tin Mill Products, General Requirements
A599/A599M-07	Tin Mill Products, Electrolytic Tin-Coated, Cold-Rolled Sheet

PUBLIC VERSION

Exhibit 2

Tinplate Pricing Information

This information is not publicly available and should be treated as confidential commercial information pursuant to 5 U.S.C. § 552(b)(4) and 28 C.F.R. § 16.7.