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 Dayton Rogers with metalworking manufacturing facilities in Minnesota, Ohio, South Carolina, and Texas, with 227 employees nationwide, thank you for the opportunity to submit our views on the 232 investigation into steel imports. Our company is an industrial consumer of steel, making components for the defense, medical, and energy industries, among others. This includes manufacturing of products for specific military needs such as fighter jets, Humvees and munitions. As a nation-wide metalworking company competing globally, steel accounts for roughly 20% of our input costs, making it the most important part of our business. At each of our plants across, we rely on globally priced and domestically available steel to employee hundreds of American workers and serve as a critical link in the defense industrial supply chain.

While we source U.S. steel when possible, companies like ours do rely on a dependable supply chain free of government interference, foreign and domestic. Disruption in our raw material supply and an increase in costs due to tariffs or quotas will have a devastating impact on companies like ours. Dayton Rogers did survive the 201 steel tariffs but like many other domestic industrial steel consumers, we saw imports of products similar to ours increase coming in duty-free and containing foreign steel. As the economy continues its slow growth, we urge you to avoid tying our hands by increasing the price of our most important input while restricting its availability.
At virtually every one of our locations, Dayton Rogers experiences challenges procuring certain steel we need on a timely basis. In addition, due to the characteristics of some steel often not available in the U.S., manufacturers like ours supplying the defense, aerospace, and medical industries require specialty steel not produced in the quantity or to the quality required by customers.

We ask that you not take unilateral action to artificially restrict the supply and increase the price of our most important input without considering the impact on downstream middle market manufacturers such as Dayton Rogers. We and our nation cannot afford a disruption in our defense industrial base supply chain nor fall short of meeting the medical needs of our wounded warriors that require medical devices and surgical components made in the U.S.

We currently experience delays of several weeks to purchase domestically produced steel whereas foreign made is readily available to meet demand. While we strongly support the enforcement of trade laws, unilateral action can have unintended consequences as we saw during the 201 steel tariffs. We currently struggle to source Monel steel, with long lead times. This is a serious threat to our national security and troops’ welfare when downstream steel suppliers cannot source the raw materials we need to meet demand. Any action taken should come with a safeguard allowing for exclusions in cases of short supply, repeated delivery delays, or lack of availability in the U.S. on a timely basis.

On behalf of all our company employees nationwide, we ask that you not impose unilateral tariffs or quotas on steel imports without protecting downstream industrial consumers and our employees. We operate in a global environment consistently changing and need flexibility to adapt. Especially in cases of short supply where we cannot source domestically the raw materials we need, the administration show provide exclusions for those steel products critical to our defense industrial supply chain. I am concerned that without considering the impact on the nation’s supply chain, we are shifting potential injury from several steel producing companies to thousands of steel consuming manufacturing businesses and millions of employees.

Thank you for your focus on strengthening manufacturing in this country and taking a balanced approach that strengthens our nation’s defense and grows our industrial base.

Sincerely

Ron Lowry  
Chairman/CEO