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Finarvedi SpA

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May 31, 2017

Mr. 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
By Email: Steel232@bis.doc.gov

PUBLIC VERSION

Re: Section 232 Steel Investigation – Request for Product Exclusions by Finarvedi S.p.A., Arinox Srl, Metalfer S.p.A. and Arvedi Tubi Acciaio S.p.A.

Dear Mr. Botwin:

Pursuant to the Notice of request for public comments and public hearing on the Section 232 national security investigation of steel imports (“Investigation”) issued by the Department of Commerce (“Commerce”) on April 26, 2017, Finarvedi S.p.A. (“Finarvedi”), the holding company of one of the largest Italian steel groups, for itself and on behalf of its subsidiaries Arinox Srl (“Arinox”), Metalfer S.p.A. (“Metalfer”) and Arvedi Tubi Acciaio S.p.A. (“ATA”), hereby requests that imports of certain stainless steel precision strips (“SSPS”), cold-drawn tubes and carbon welded steel pipes (as detailed in Annexes I, II and III respectively) be excluded from the scope of the Investigation and any remedies that may ultimately be imposed because they are unavailable from domestic steel mills and/or do not present a threat to the national security of the United States. We also request that Commerce dedicate a specific process for companies to request exclusions from any determination or remedy under Section 232, similar to the process for assessing scope exclusions in antidumping and countervailing duty (“AD/CVD”) investigations.

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The imposition of import restrictions under Section 232 without the possibility of exclusion for imports of steel products that are unavailable in the quantities and qualities required by U.S. end-users and otherwise do not threaten U.S. national security would have a seriously deleterious effect on a broad range of industries in the United States, and may put U.S. manufacturing jobs at risk. Indeed, certain specialized and customized steel products simply are not available from U.S. manufacturers. Even if they were, changing to a new supplier would require detailed certifications and testing.

Arinox and Metalfer are exclusively active in the supply of highly specialized and customized SSPS and cold-drawn tubes to U.S. customers. A high degree of specialization also characterizes the carbon welded steel pipes produced and exported by ATA. Some of the products exported to the United States by the three companies are currently not produced by U.S. mills. Certain SSPS supplied by Arinox cannot even be produced by U.S. mills, which lack the necessary technology. Against this background, loss of access to key supplies of Arinox's SSPS, Metalfer's cold-drawn and ATA's carbon welded steel pipes could force the companies' customers, including major U.S. manufacturers, to pay higher tariffs, and/or temporarily source finished products from abroad using overseas plants at the expense of U.S. production and jobs.

By completing and complementing the limited offerings of the domestic steel mills, imports of SSPS, the cold-drawn tubes and carbon welded steel pipes manufactured by Arinox, Metalfer and ATA support U.S. manufacturing jobs and help satisfy U.S. consumer demand for certain products. While some domestic mills may have the facilities and resources to produce some of these types of steel, they often opt not to produce these products because of the detailed performance requirements and generally small quantities sought by U.S. industrial users.

These are often unique products produced at low volumes with specific and highly detailed specifications and dedicated uses, such that imports of these types of steel do not compete directly with products made in the United States. In addition, because domestic mills do not have the facilities or resources to produce these products, or are uninterested in producing them in such small volumes, no domestic mill production is weakened or displaced due to imports of these products. Imports of any type of steel that is not generally available from domestic mills, such as the SSPS, cold-drawn tubes and carbon welded steel pipes detailed in Annexes I, II and III does not threaten the national security of the United States and, thus, should be excluded from any import restrictions imposed as a result of this Investigation.

Based on the elements above, Arinox, Metalfer and ATA clearly do not cause harm to the U.S. steel industry in accordance with the criteria of § 705.4 of the National Security Industrial Base Regulations ("NISBR") enunciated in Commerce's Notice as being of particular interest in the context of the Investigation. Specifically:

- the companies' highly specialized products enter the United States in small quantities;
- their products do not harm or threaten domestic production and productive capacity needed for steel to meet projected national defense requirements;

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- imports of the companies' products do not negatively affect the existing and anticipated availability of human resources, products, raw materials, production equipment, and facilities to produce steel in the United States;
- these imports also do not hinder the growth requirements of the steel industry to meet national defense requirements and/or requirements to assure such growth;
- the specialized products exported by Arinox, Metalfer and ATA do not compete directly with products produced in the United States, such that there is no impact of foreign competition on the economic welfare of the steel industry by virtue of these products;
- consequentially, there is also no displacement of any domestic steel causing substantial unemployment, decrease in the revenues of government, loss of investment or specialized skills and productive capacity, or other serious effects;
- to the contrary, imports of Arinox's, Metalfer's and ATA's specialized products from a trusted ally like Italy contribute to increased employment, government revenues, investment, development of specialized skills and productive capacity among the members of the U.S. industries that use these products – all relevant factors strengthening national economy and security of the United States.

In addition, Finarvedi, Arinox, Metalfer and ATA hereby reserve the right to participate fully in any product exclusion review process Commerce may implement in the context of the Investigation or any time thereafter.

Finally, pursuant to 15 C.F.R. § 705.6 (a), Finarvedi, Arinox, Metalfer and ATA hereby request that the Department exempt certain information, clearly identified in brackets in the comments submitted under cover of this letter from public disclosure. See Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel, 82 Fed. Reg. 19,205 (April 26, 2017). The business confidential treatment is requested because the data include, inter alia, business trade secrets, names and identification of particular customers, commercial or financial information and certain other information, the release of which would cause competitive harm to the submitter. Nevertheless, Finarvedi, Arinox, Metalfer and ATA have provided a non-confidential version of this submission which can be placed in the public file for inspection.

Thank you for your consideration.

Sincerely,



Livia Schizzerotto

General Counsel, Finarvedi S.p.A.

Annex I

Public Version

Annex I
Arinox Srl – Product Groups Warranting Exclusion

The present annex provides a detailed description of the stainless steel precision strips (“SSPS”) for which Arinox Srl (“Arinox”) respectfully requests an exclusion from the Section 232 national security investigation issued by the Department of Commerce on April 26, 2017.

The production process of Arinox’s SSPS

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Inputs used in Arinox’s SSPS production process

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Table I – Overview of the Product Groups Warranting Exclusion

PUBLIC VERSION

Product Name	Key Product Characteristics	Product Description (HTS)	HTS Number
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PUBLIC VERSION

[]	[]	[]	[]
[]	[]	[]	[]

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PUBLIC VERSION

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PUBLIC VERSION

[illegible]

[illegible]

Annex II

Public Version

PUBLIC VERSION

Annex II
Metalfer SpA – Product Groups Warranting Exclusion

The present annex provides a detailed description of the cold-drawn tubes for which Metalfer S.p.A. (“Metalfer”) respectfully requests an exclusion from the Section 232 national security investigation issued by the Department of Commerce on April 26, 2017.

Product Name	Key Product Characteristics	Product Description (HTS)	HTS Number
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PUBLIC VERSION

[illegible]

Annex III

Public Version

PUBLIC VERSION

Annex III
Arvedi Tubi Acciaio S.p.A. – Product Groups Warranting Exclusion

The present annex provides a detailed description of the carbon welded steel pipes according to []
 (“The Standard”) for which Arvedi Tubi Acciaio S.p.A. (“ATA”) respectfully requests an exclusion from the Section 232
 national security investigation issued by the Department of Commerce on April 26, 2017.

The production process of Arvedi Tubi Acciaio Spa

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PUBLIC VERSION

Table I -- Overview of the Product Groups Warranting Exclusion

Product Name	Key Product Characteristics	Product Description (HTS)	HTS Number
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