



May 18, 2017

Mr. Brad Botwin
Director, Industrial Studies
Office of Technology Evaluation
Bureau of Industry and Security
US Department of Commerce
1401 Constitution Avenue NW, Room 1093
Washington, DC 20230

RE: Comments on Section 232 Investigation on Steel Imports

Dear Director Botwin:

I understand the Department of Commerce is undertaking a section 232 investigation on steel imports and as my company is a manufacturer of steel based products, I would like to provide my perspective for consideration.

As background, I'm the president of Hytrol Conveyor Company, Inc., a manufacturer of conveyor and conveying equipment, with steel our main component in the producing of conveyors. We consumed 42,294,104 lbs of steel in 2016. We employ 1200 over 3 shifts. We sell through a network of Integration Partners located throughout the United States, Mexico, Canada and Latin America. Increased steel cost put this business and our many employees at risk.

As effective as the tariffs and any further action by the Commerce Department may be in restricting the flow of raw steel into the US, there is nothing preventing finished goods and steel components from coming in. It is estimated that for every job in the steel industry, there are sixty jobs provided by manufacturers, such as Hytrol Conveyor, who consume the steel. In addition, there are countless jobs in companies large and small who provide products and services to the domestic steel consumers. To protect the US steel industry, inadvertently many more American jobs will be lost.

Additionally, steel tariffs are a double-edged sword. First, we get hammered by increasing raw material costs, even as we are unable to pass them on to our customers. Second, our foreign competition is able to import products using globally-priced steel into the US, undercutting us. Your tariffs effectively subsidized our foreign competitors. A leading manufacturer in our industry moved their production off shore last year in an attempt to gain a competitive advantage with less expensive material cost.



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We all recognize that National Security is an important consideration and not to be taken lightly. Fortunately, it does appear that the US steel industry is financially healthy now. One good sign is that Nucor, the largest US steel company, has a long history of profitability and appears to have been the only steel company in the world to be profitable during the slump of 2015. They had been successful even without the steel tariffs. It is a sign that well-run US steel company can effectively compete against foreign competition and will be around to help meet the country's security needs for steel. Hytrol is productive and efficient, but if the steel producers are the only companies protected, we go out of business along with many of our customers.

I recognize there are many factors to consider in your investigation. I respectfully request you consider the negative consequences that further restrictions on steel imports will have on the companies and their employees who depend upon competitively priced steel. The Trump administration has rightly focused on retaining and bringing back American manufacturing jobs. Unfortunately, further trade protection on steel will have the opposite effect by eroding our manufacturing base and sending thousands of high paying jobs overseas. We, the consumers and supply chain, are the silent majority and should be represented as well.

Thank you for your time and consideration. It is most appreciated.

Sincerely,

HYTROL CONVEYOR COMPANY, INC.

A handwritten signature in black ink, appearing to read "D. Peacock".

David A. Peacock
President

DAP/trv