



MARINE CLERKS ASSOCIATION LOCAL 63

OFFICE CLERICAL UNIT
LOS ANGELES and LONG BEACH HARBORS

INTERNATIONAL LONGSHORE AND WAREHOUSE UNION

6615 E. PACIFIC COAST HWY. • SUITE 250 • LONG BEACH, CA 90803



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, NW, Room 1093
Washington, D.C. 20230

Re: Comments on Section 232 National Security Investigation of Imports of Steel

Dear Mr. Botwin:

The International Longshore and Warehouse Union (ILWU) Local 63 OCU is pleased to provide comments in response to the Bureau of Industry and Security's April 26, 2017, request for comments on the Section 232 national security investigation of imports of steel.¹

Specifically, we are asking that the results of your investigation do not place any limitations or tariffs on the import of semi-finished steel ("slabs"), which are critical to steel supply chains, particularly in the Western U.S.

The outcome of the ongoing Section 232 National Security Investigation of Imports of Steel is very important to the ILWU and the hundreds of our workers who move ever-increasing cargo values through the Port of Los Angeles because it has the potential to negatively affect California Steel Industries, Inc. (CSI), a steel producer headquartered in Fontana, California. CSI is the largest steel mill in the West and is the largest user of the Port of Los Angeles by tonnage. CSI imports more than 1.5 million tons of slab through the Port annually to support hundreds of ILWU jobs, as well as more than **200** downstream customers across the Western U.S.

CSI pioneered the slab converter model in response to shifts in the U.S. steel industry. As integrated mills shut down or reduced capacity over the past three decades, slab converter mills, such as CSI, invested in and restored jobs to shuttered U.S. mills, putting U.S. steelworkers back to work, reviving local communities, and providing stability to thousands of hard-working Americans and their families.

Steel slabs are not available for purchase in the U.S., as multiple government and academic studies have found, but yet are the feedstock of an important innovative steel production model that has created jobs in the U.S. CSI imports slabs from friendly trading partners – primarily Japan, Mexico, and Brazil – and NOT from China. The four largest U.S. slab converters and other slab importers employ more than 4,000 U.S. workers directly and, together with the indirect jobs in their U.S. steel manufacturing and supply chains and transportation, support over 35,000 American workers using standard steel industry job support metrics.

Slab imports are especially important to the Western U.S. sheet market. There are no integrated mills or electric arc furnace mills producing steel sheet products west of the Mississippi River valley. The two

¹ Notice request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel, 82 Fed. Reg. 19205 (April 26, 2017) (the "Notice").

Western slab converter mills depend entirely upon purchased slab and must import almost all of their feedstock.

If the Section 232 investigation results in prohibiting slab imports from any country or in the imposition of tariffs or quotas, it will negatively impact ILWU jobs at the Port of Los Angeles and be potentially devastating to one specific sector of the U.S. steel industry and the estimated 35,000 U.S. jobs that slab converters support within their related supply chains. Additionally, the hundreds of other U.S. steel manufacturers that depend on CSI would either have to reduce business or find new suppliers in the East, which would dramatically raise prices for those companies, putting them at a competitive disadvantage. Western municipalities and other project sponsors would also lose out, as all federally-assisted projects in the West would be forced to pay higher material and transport costs as they would be limited to purchasing iron and steel products from far-away suppliers in the East.

Your evaluation will ultimately be based on the facts – and the facts show that the import of steel slab as a feedstock for “slab converter” mills like CSI is a natural consequence of changes in the U.S. steel industry that have made the industry stronger against global forces, not weaker. We ask that your investigation under Section 232 take these facts into full consideration and not result in findings that simply take jobs from some American companies and move them to other companies elsewhere in the U.S.

Sincerely,

ILWU Local 63 Office Clerical Unit

A handwritten signature in cursive script that reads "Debbie Karmelich".

Debbie Karmelich
Vice President

cc: ILWU 63 OCU Executive Board