



May 31, 2017

**VIA ELECTRONIC MAIL**

Mr. Brad Botwin  
Director, Industrial Studies  
Office of Technology Evaluation  
Bureau of Industry & Security  
U.S. Department of Commerce  
Room 1093  
14th St. & Constitution Avenue, N.W.  
Washington, D.C. 20230

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

Dear Mr. Botwin:

On behalf of the Kiewit Corporation ("Kiewit"), we are hereby responding to the Department's request for comments in connection with its Section 232 investigation of steel imports.<sup>1</sup>

Kiewit is one of North America's largest and most respected construction and engineering organizations. With its roots dating back to 1884, the employee-owned organization operates through a network of subsidiaries in the United States, Canada, Australia and Mexico. Kiewit offers construction and engineering services in a variety of markets including transportation; oil, gas & chemical; power; building; water/wastewater; and mining. Kiewit had 2016 revenues of \$8.6 billion and employs 20,000 staff and craft employees. Over the last ten years Kiewit has completed thousands of projects in these various markets accounting for tens of billions of dollars in contract revenue. These projects have improved millions of lives in the

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<sup>1</sup> 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).

United States and throughout North America -- they have stimulated local economies, modernized critical infrastructure hubs, and helped advance American energy independence.

Kiewit Offshore Services, Ltd. (KOS), a subsidiary of the Kiewit Corporation, is a world-class, 550-acre construction facility located in Ingleside, Texas that services the offshore oil and gas industry. KOS employs thousands of skilled craftsman, engineers and other construction professionals who over the past three decades have successfully competed against foreign fabricators to domestically build some of the offshore industry's largest and most complex projects. KOS is a significant consumer of steel products. KOS strongly supports the U.S. steel industry, and it has a long history of mutually beneficial buyer-seller relationships with U.S. steel producers -- in fact, KOS purchases the vast majority of its steel -- including plate, beams, pipe & tube, fittings, and other products -- from domestic producers like ArcelorMittal, Nucor and SSAB. However, KOS has found that there are certain specialty products that are mandated by the client specifications that domestic producers are unable to supply. In most instances, these products are so highly specialized that it is simply not economical or rational for U.S. producers to set up lines to produce them given the low demand. As such, KOS is obliged to import a small volume of these specialty products.

Specifically, certain elements of offshore oil drilling and production platform construction require steel plate that has both the strength and the corrosion-resistance properties to withstand the harsh marine environment. KOS's purchases of the required product (known as "Offshore Grade TMCP Plate") are relatively small, amounting to approximately 5,000 tons per annum. This is a minimal volume relative to other commoditized products, but the plate is vital to KOS's offshore projects and there are no U.S. suppliers qualified to produce this material -- as such, KOS is obliged to import it in order to remain in the business of constructing and servicing

offshore oil drilling and production platforms. Given (1) the small volumes of KOS's imports of Offshore Grade TMCP Plate and (2) the fact that there are no qualified U.S. producers of this product, Kiewit submits that imports of such products do not threaten U.S. national security. To the contrary, they are integral components of drilling platforms that will necessarily enhance our national security by diminishing our dependence on foreign oil as well as providing thousands of jobs and millions of dollars in tax revenues. Furthermore, allowing relatively small imports of a very specific product will preserve KOS's ability to compete against foreign yards to construct projects in the U.S. for the offshore oil drilling industry. These projects employ thousands of U.S. workers and require comparatively more substantial quantities of steel products that are produced by U.S. mills.

In light of these circumstances, Kiewit respectfully requests that the Department find that imports of Offshore Grade TMCP Plate (defined in the Appendix to this submission) do not threaten U.S. national security. Moreover, should the Department conclude that other steel imports do constitute a national security threat, Kiewit respectfully requests that the Department establish a process for addressing domestic unavailability on a going-forward basis to ensure that companies like Kiewit are not disadvantaged relative to foreign competitors by being denied access to steel products that the domestic industry does not produce.

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We would be happy to answer any questions or provide any additional information that the Department may require in connection with the foregoing request.

Respectfully submitted,

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**Appendix:**  
**Definition of Offshore TMCP Plate**

“Offshore Grade TMCP Plate” is defined as cut-to-length products that (1) are manufactured to or exceeding the requirements of either the American Petroleum Institute (API) specification 2W (Steel Plates for Offshore Structures) or the European Standard EuroNorm (“EN”) 10225 specification, whether or not modified to meet proprietary offshore project specifications; (2) are produced by Thermo Mechanical Control Processing (TMCP); (3) are stenciled with the project name on each piece of plate, and (4) that are (A) in API 2W Grade 50 and with a thickness in excess of 1.5 inches; or (B) in API 2W Grade 60 without regard to thickness; or (C) in API 2W Grades 70, 80 and above, all without regard to thickness; or (D) in EN 10225, without regard to thickness.