



SIDLEY AUSTIN LLP
 1501 K STREET, N.W.
 WASHINGTON, D.C. 20005
 +1 202 736 8000
 +1 202 736 8711 FAX

rweiner@sidley.com
 (202) 736 8790

BEIJING	HONG KONG	SAN FRANCISCO
BOSTON	HOUSTON	SHANGHAI
BRUSSELS	LONDON	SINGAPORE
CENTURY CITY	LOS ANGELES	SYDNEY
CHICAGO	MUNICH	TOKYO
DALLAS	NEW YORK	WASHINGTON, D.C.
GENEVA	PALO ALTO	

FOUNDED 1866

May 31, 2017

Mr. Brad Botwin
 Director
 Office of Technology Evaluation
 Bureau of Industry of Security
 U.S. Department of Commerce
 Constitution Avenue & 14th Street, NW
 Washington, DC 20230

Section 232 National Security Investigation
 of Imports of Steel
 Number of Pages: 6
 Investigation

**THIS DOCUMENT CONTAINS NO
 BUSINESS CONFIDENTIAL
 INFORMATION**

Re: Section 232 National Security Investigation of Imports of Steel: Written
 Comments of Nippon Steel & Sumikin Cold Heading Wire Indiana Inc.

Dear Director Botwin:

On behalf of Nippon Steel & Sumikin Cold Heading Wire Indiana Inc. (“NSCI”), we hereby submit written comments in the above-captioned investigation. Pursuant to the Department’s notice of initiation, these comments are timely filed.*

NSCI is a newly established manufacturer of steel wire for automotive cold heading and forging located in Shelbyville, Indiana. The investment in Indiana by NSCI’s parent company, Nippon Steel & Sumitomo Metal Corporation (“NSSMC”), was warmly welcomed by Vice President Mike Pence, then governor of Indiana, who praised NSSMC’s decision to open this new manufacturing facility in Indiana, stating:

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

Mr. Brad Botwin
May 31, 2017
Page 2

Indiana is home to the largest Japanese investment per capita in the nation, and today I'm proud to welcome yet another Japan-based firm to the Hoosier state. Global firms like Nippon Steel & Sumitomo Metal Corporation continue to choose Indiana for growth and job creation because of our efforts to create an affordable, pro-growth economic environment while investing in our hardworking Hoosier workforce.[†]

NSCI is scheduled to open in October 2017 and to begin production of steel wire starting in January 2018. When fully operational, NSCI's production facility will directly employ approximately 70 people in Shelbyville.

NSCI is unique in that it will not follow other manufacturers of downstream products by simply importing finished steel wire from Japan. Rather, the company will import the raw material – that is, high-quality wire rods – from Japan, and produce finished steel wire in the United States. However, in order to do so, NSCI needs access to a reliable supply of high-quality Japanese wire rod. If NSCI is not able to import these materials, the company will be forced to shut down – in effect, even before it begins production – because the wire quality needed for the production of fasteners and other safety-critical auto parts can be achieved only with the high-quality wire rod available solely from Japanese manufacturers.

The quality of the wire rod produced by the Japanese manufacturers is unavailable in the United States. In short, Japanese wire rod is superior to wire rod produced elsewhere because

[†] Press Release from the Economic Development Corporation of Indiana, "Japan's Largest Steel Producer Adding Operations in Shelby County" (June 21, 2016), available at: http://www.in.gov/activecalendar/EventList.aspx?fromdate=4/1/2017&todate=4/30/2017&display=Month&type=public&eventidn=248411&view=EventDetails&information_id=245785&print=print.

Mr. Brad Botwin

May 31, 2017

Page 3

only the Japanese manufacturers have demonstrated the ability consistently to meet the precision and performance requirements of fastener and other safety critical auto parts manufacturers.

These downstream manufacturers require wire produced from wire rod that is not only extremely durable but also light weight. The Japanese wire rod manufacturers are uniquely able to meet these contradictory requirements due to their advanced methods of controlling for surface defects, inclusions, and size tolerances.

The superior quality of Japanese wire rod is reflected in the relative import prices of wire rod. In fact, as indicated in the chart below, the unit price of wire rod imports from Japan in 2016 was significantly higher than the unit price of wire rod imports from other countries that exported a significant quantity of wire rod to the United States.

Country	\$ / metric ton
Japan	\$1,037
Germany	\$901
Korea	\$539
Brazil	\$536
Turkey	\$486
Other countries	\$560

Source: U.S. Department of Commerce, Bureau of Census

NSCI intends to win its downstream U.S. customers' business based on the quality and reliability of our products. Import duties on wire rod from Japan will compromise the viability of our business model and will lead to the elimination of anticipated jobs in Shelbyville and the surrounding area. Further, such duties would also damage the automobile and fastener supply

Mr. Brad Botwin

May 31, 2017

Page 4

chains in the United States, potentially affecting the jobs of thousands of people throughout the country. To block imports of Japanese wire rod will simply lead to export of U.S. jobs and import of the finished products that NSCI plans to manufacture in Indiana.

For these reasons, NSCI urges the Department to find that the continued availability of Japanese wire rod is necessary for U.S. steel production and that such imports do not compromise the national security of the United States. However, in the event that the Department finds that imports of wire rod from Japan generally are compromising the national security of the United States, NSCI submits that the Department should recommend that the President exclude from any remedies that may be imposed, products that NSCI imports from Japan – i.e., certain carbon and alloy steel cold heading quality wire rod, meeting the proprietary specifications provided in the attachment to this letter.

* * *

We hereby request business confidential treatment for the information designated as business confidential in the attachment to this letter, pursuant to Department regulation 19 C.F.R. § 705.6. Business confidential treatment is required for the information so designated because it includes confidential trade secrets and commercial information. Accordingly, this information is exempted from public disclosure under the Freedom of Information Act, pursuant to 5 U.S.C. § 552(b)(4).

Mr. Brad Botwin
May 31, 2017
Page 5

Thank you for your attention to this matter. If you have any questions regarding this letter, please contact the undersigned.

Respectfully submitted,



Richard L.A. Weiner
Neil R. Ellis
Shawn M. Higgins

Counsel to Nippon Steel & Sumikin Cold Heading
Wire Indiana Inc.

CONTAINS NO BUSINESS CONFIDENTIAL INFORMATION

Proprietary Specifications

Certain carbon and alloy steel cold heading quality wire rod, meeting the following proprietary specifications: [

].