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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: 24
Investigation

THIS DOCUMENT CONTAINS NO BUSINESS CONFIDENTIAL INFORMATION

Re: Section 232 National Security Investigation of Imports of Steel: Written Comments of Nippon Steel & Sumitomo Metal Corporation

Dear Director Botwin:

On behalf of Nippon Steel & Sumitomo Metal Corporation ("NSSMC"), we hereby submit written comments in the above-captioned investigation. Pursuant to the Department's notice of initiation, these comments are timely filed.*

NSSMC supports the arguments presented in the comments filed by the Japan Iron and Steel Federation on May 31, 2017. In particular, NSSMC agrees that Japan is a key ally of the United States, and that Japanese steel manufacturers, including NSSMC, have a long history of U.S. investment, and are dependable and safe sources of steel products to numerous downstream U.S. manufacturers. According to the testimony of several of these U.S. manufacturers during

* 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).

the Department's public hearing on May 24, 2017, the success of their businesses, as well as the employment of thousands of people across the United States, depends on access to a reliable supply of Japanese steel. In this way, Japanese steel is integral to the U.S. economy, and therefore does not threaten the national security of the United States.

However, as discussed further below, in the event that the Department finds that imports of steel, including steel from Japan, are compromising the national security of the United States, NSSMC submits that the Department should recommend that, at a minimum, the President exclude from any remedies that may be imposed, products that: (1) have not been produced by U.S. mills or (2) have demonstrably not been produced by U.S. mills in sufficient quantities or to the consistent quality standards necessary to satisfy the demand of U.S. customers. Specific exclusions pursuant to these criteria are described in detail below.

I. The Department Should Recommend that the President Exclude Products that Are Not Produced by U.S. Mills

To the best of NSSMC's knowledge, U.S. mills do not produce the specific types of hot-rolled coil and sheet, cold-rolled coil and sheet, corrosion resistance steel coil and sheet, steel coil and sheet for tins and containers, rails, wire/wire rod, pipes and tubes, oil country tubular goods ("OCTG"), and line pipes that are listed below. The Department should recommend that the President exclude these products from any remedies that may be imposed, because imports of these products do not compromise the national security of the United States. Rather, a reliable source of these imported products is *necessary* for U.S. economic security, inasmuch as they support downstream manufacturing jobs and improve economic welfare in the United States,

while at the same time having no adverse effect on U.S. mills. U.S. consumers benefit greatly from access to these imported products, which are not available in the United States from domestic sources. Accordingly, NSSMC urges the Department to recommend the exclusion of the following specific products from this investigation.

Steel Coil and Sheet

a. Hot-Rolled Coil and Sheet

- Hot-rolled coil and sheet which meets the following chemical, physical, and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10 - 0.14%	0.70 – 0.90%	0.025% Max	0.005% Max	0.30 – 0.50%	0.50 – 0.70%	0.20 – 0.40%	0.20% Max

Width = 32.0 - 45.5 inches; Thickness = 0.076 – 0.246 inches; Yield Strength = 50,000 psi minimum; Tensile Strength = 70,000 – 88,000 psi; Elongation = 22% minimum; Hardness = 79-89 HRB.

- Hot-rolled coil and sheet which meets the following chemical, physical, and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	Mo
0.10 - 0.16%	0.70 – 0.90%	0.025% Max	0.006% Max	0.30 – 0.50%	0.50 – 0.70%	0.22 – 0.30%	0.20% Max	0.18 – 0.23%

Width = 32 - 45.5 inches; Thickness = 0.076 – 0.246 inches; Yield Strength = 66,700 – 101,400 psi; Tensile Strength = 89,900 – 116,300 psi; Elongation = 12% minimum; Hardness = 70-105 HRB.

- Hot-rolled coil and sheet which meets the following chemical, physical, and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	Mo
0.10 - 0.16%	0.70 – 0.90%	0.025% Max	0.006% Max	0.30 – 0.50%	0.50 – 0.70%	0.22 – 0.30%	0.20% Max	0.10 – 0.15%

Width = 32.0 - 45.5 inches; Thickness = 0.076 – 0.246 inches; Yield Strength = 66,700 – 101,400 psi; Tensile Strength = 89,900 – 116,300 psi; Elongation = 12% minimum; Hardness = 70-105 HRB.

- Hot-rolled coil and sheet which meets the following chemical, physical, and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	V	Nb
0.10 - 0.14%	1.30 – 1.80%	0.025% Max	0.005% Max	0.30 – 0.50%	0.50 – 0.70%	0.20 – 0.40%	0.20% Max	0.10% Max	0.08% Max

Width = 32.0 - 45.5 inches; Thickness = 0.09 – 0.246 inches; Yield Strength = 80,000 – 106,100 psi; Elongation = 12% minimum; Hardness = 80-105 HRB.

- Hot-rolled coil and sheet which meets the following chemical, physical, and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	Nb	V	Mo
0.1 - 0.15%	1.30 – 1.80%	0.025% Max	0.0014% Max	0.30 - 0.50%	0.50 – 0.70%	0.20 – 0.40%	0.20% Max	0.08% Max	0.10% Max	0.10 – 0.40%

Width = 32.0 – 45.5 inches; Thickness = 0.09 – 0.246 inches; Yield Strength = 85,000 psi minimum; Tensile Strength = 130,000 psi minimum for thicknesses ≤ 0.199 inches and 120,000 psi minimum for thicknesses > 0.199 inches; Elongation = 11% minimum; Hardness = 110 HRB maximum.

- Certain hot-rolled steel coil and sheet meeting the proprietary specifications provided in the attachment to this letter.

b. Cold-Rolled Coil and Sheet

- Certain dual phase steel coil and sheet meeting the proprietary specification provided in the attachment to this letter.

c. Corrosion Resistant Steel Coil and Sheet

- Commercial quality cold-rolled electrogalvanized steel coil and sheet of thickness of 0.4 and width of 1067 mm.

- Certain structural quality hot-rolled hot-dip galvannealed steel coil and sheet of thickness of 4.0 mm, with yield point ≥ 335 N/mm^2, and tensile strength ≥ 440 N/mm^2, having the following chemical composition:

C (%)	Mn (%)	P (%)	S (%)
< 0.25	< 2.00	< 0.20	< 0.05

- Certain steel coil and sheet coated with an alloy of tin and zinc of thickness between 0.3 and 2.0 mm, and width between 610 and 1250 mm, with tensile strength ≥ 260 N/mm^2 and minimum extension of 31%; amount of coating is between 30 g/m^2 and 50 g/m^2 and coating thickness = 0.011 mm.

- Certain hot-dipped galvannealed steel coil and sheet meeting the proprietary specifications provided in the attachment to this letter.

- Certain steel coil and sheet coated with lead and tin, meeting the proprietary specifications provided in the attachment to this letter.

d. Steel Coil and Sheet for Tins and Containers

- Tin free steel, laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer) containing not more than the indicated amounts of the following environmental hormones: 1 mg/kg BADGE (Bisphenol A diglycidyl ether), 1 mg/kg BFDGE (Bisphenol F diglycidyl ether), and 3 mg/kg BPA (Bisphenol A).

Rails

NSSMC manufactures and ships long rails (480 feet in length), which are incapable of being manufactured by the U.S. mills (i.e., HE-X). Additionally, NSSMC produces rails that are customized to the original specifications of each customer. U.S. customers purchase NSSMC's rails because they value these products' hardness, straightness, residual stress, and high resistance to wear, surface defects, and internal defects. After these rails are shipped from Japan, they are installed primarily in heavy haul railway tracks that are not covered by Buy America provisions. These products include the following:

- Certain steel rails made to NSSMC specification HE-X, having the following mechanical properties and chemical composition:

Grade	C	Si	Mn	Cr	Yeild Strength (MPa)	Tensile Strength (MPa)	Elongation (%)	Surface Hardness (HB)
HE-X	1.0	0.5	0.7	0.2	951	1439	11	420

- Certain steel rails that are 480 feet long, meeting the proprietary specifications described in the attachment to this letter.

Wire/Wire Rod

- Certain valve spring quality alloy wire rods meeting proprietary specifications described in the attachment to this letter.

Pipes and Tubes

- High strength stainless steel pipes and tubes for boilers and heat exchangers, meeting the requirements of AISI-304L, ASME SA213-TP304H, ASME SA213-TP347H, ASME SA213-MS30432, ASME CC2328-1T, ASME CC2328M-2T, ASME SA213-347HFG, ASME SA213-310HCBN, ASME SB167-6617, ASME SA789-MS31803, TUV546-HR3C, TUV-HR3C-4952 , TUV559/2-HR6W, TUV-TP347HFG, or TUV-SUPER304H.

- Special alloy steel pipes for boilers and heat exchangers, meeting the requirements of EN E2-2-4901, EN E2-2-4903, ASME SA213-T9, ASME SA335-MP91, ASME SA335-P91, ASME SA213-MT91, ASME SA213-T91, or ASME SA213-T92.

- Alloy steel pipes and tubes for boilers, heat exchangers, and piping, meeting the requirements of ASME SA213-MT11, ASME SA213-T11, ASME SA213-MT12, ASME SA335-MP12, ASME SA335-P12, ASME SA213-MT2, ASME SA213-T2, ASME SA213-MT22, ASME SA213-T22, ASME SA213-MT23, or ASME SA335-P22.

- Carbon steel pipe for boilers and heat exchangers, meeting the requirements of ASTM A178-A, ASTM A178-C, ASTM A423-Gr.3, ASME SA423-2494-1M, ASME SA423-M2494-1, EN E2-2-0425, BS3059-S2360-C1, BS3059-S2620-C2, BS3059-S2622-C2, or BS3059-S269B-C2.

- Carbon steel pipe for boilers and pressure piping, meeting the requirements of ASTM A106-B, ASTM A106-C, ASME SA106-B, ASME SA106-C, ASME SA106-MC, ASME SA192, ASME SA209-MT1A, ASME SA210-A-1, or ASME SA210-MC.

- Alloy steel pipes and tubes for piping in petro-chemistry, petroleum refineries, and boiler applications, with outside diameter ≥ 141.3 mm.

- Certain automotive stabilizers meeting the proprietary specifications provided in the attachment to this letter.

OCTG

- Certain seamless OCTG for sour service with the following mechanical properties:

Yield Strength (MPa)	Tensile Strength (MPa)	Hardness (HRC)	SSC test H2S (bar)	SSC test Solution	SSC test Applied stress
862-965	≥ 896	≤ 36	0.03	B(pH3.5)	85%SMYS
758-862	≥ 793	≤ 30	0.1	B(pH3.5)	85%SMYS
862-965	≥ 896	≤ 36	0.1	B(pH3.5)	85%SMYS
552-655	≥ 655	≤ 22	1	A	90%SMYS
621-724	≥ 689	≤ 25.4	1	A	90%SMYS
655-758	≥ 724	≤ 25.4	1	A	90%SMYS
758-828	≥ 793	≤ 30	1	A	85%SMYS
758-862	≥ 793	≤ 30	0.1	B(pH3.5)	85%SMYS
862-965	≥ 896	≤ 36	0.1	B(pH3.5)	85%SMYS
655-758	≥ 724	≤ 25.4	1	A	80%SMYS
758-828	≥ 793	≤ 30.0	1	A	85%SMYS

- Certain seamless OCTG products, 13% and 17% chromium, with the following mechanical properties and chemical composition:

Yield Strength (MPa)	Tensile Strength (MPa)	Hard. (HRC)	C %	Si %	Mn %	Cu %	Ni %	Cr %	Mo %	W %	N %

552-655	≥ 655	≤ 23	≤ 0.22	≤ 1.00	≤ 1.00	≤ 0.25	≤ 0.5	12.0-14.0	n/a	n/a	n/a
586-689	≥ 689	≤ 24	≤ 0.22	≤ 1.00	≤ 1.00	≤ 0.25	≤ 0.5	12.0-14.0	n/a	n/a	n/a
655-758	≥ 724	≤ 27	≤ 0.22	≤ 1.00	≤ 1.00	≤ 0.25	≤ 0.5	12.0-14.0	n/a	n/a	n/a
552-655	≥ 655	≤ 25	≤ 0.03	≤ 0.50	≤ 1.50	n/a	1.5-3.0	10.5-12.5	0.2-0.4	n/a	n/a
655-758	≥ 724	≤ 28	≤ 0.03	≤ 0.50	≤ 1.00	n/a	4.0-6.0	11.0-14.0	0.2-1.2	n/a	n/a
758-862	≥ 758	≤ 32	≤ 0.03	≤ 0.50	≤ 1.00	n/a	4.0-6.0	11.0-14.0	0.2-1.2	n/a	n/a
655-758	≥ 724	≤ 28	≤ 0.03	≤ 0.50	≤ 0.50	n/a	5.0-6.5	11.5-13.5	1.5-3.0	n/a	n/a
758-862	≥ 758	≤ 32	≤ 0.03	≤ 0.50	≤ 0.50	n/a	5.0-6.5	11.5-13.5	1.5-3.0	n/a	n/a
758-931	≥ 828	≤ 36	≤ 0.03	≤ 0.50	≤ 0.50	2.0-3.0	4.5-5.5	16.0-18.0	2.0-3.0	n/a	n/a
862-1000	≥ 896	≤ 38	≤ 0.03	≤ 0.50	≤ 0.50	2.0-3.0	4.5-5.5	16.0-18.0	2.0-3.0	n/a	n/a

- Certain seamless OCTG products made of corrosion resistant alloys (CRA), with the following mechanical properties and chemical composition:

Yield Str. (MPa)	Tens. Str. (MPa)	Hard. (HRC)	C %	Si %	Mn %	Cu %	Ni %	Cr %	Mo %	Ti %	W %	Fe %
758-965	862	≤ 36	≤ 0.03	≤ 1.00	≤ 2.00	n/a	4.5-6.5	21.0-23.0	2.5-3.5	n/a	n/a	0.08-0.20
862-1000	896	≤ 37	≤ 0.03	≤ 1.00	≤ 2.00	n/a	4.5-6.5	21.0-23.0	2.5-3.5	n/a	n/a	0.08-0.20
758-965	862	≤ 36	≤ 0.03	≤ 0.75	≤ 1.00	0.2-0.8	5.5-7.5	24.0-26.0	2.5-3.5	n/a	0.10-0.50	0.10-0.30
862-1000	896	≤ 37	≤ 0.03	≤ 0.75	≤ 1.00	0.2-0.8	5.5-7.5	24.0-26.0	2.5-3.5	n/a	0.10-0.50	0.10-0.30
862-1000	896	≤ 37	≤ 0.03	≤ 0.80	≤ 1.00	0.2-0.8	6.0-8.0	24.0-26.0	2.5-3.5	n/a	2.01-2.50	0.24-0.32
758-965	793	≤ 32	≤ 0.03	≤ 0.50	≤ 1.00	≤ 1.5	29.5-36.5	24.0-27.0	2.5-4.0	n/a	n/a	Bal.
862-1000	896	≤ 34	≤ 0.03	≤ 0.50	≤ 1.00	≤ 1.5	29.5-36.5	24.0-27.0	2.5-4.0	n/a	n/a	Bal.
965-1138	1000	≤ 40	≤ 0.03	≤ 0.50	≤ 1.00	≤ 1.5	29.5-36.5	24.0-27.0	2.5-4.0	n/a	n/a	Bal.
758-965	793	≤ 32	≤ 0.05	≤ 0.50	≤ 1.00	1.50-3.00	38.0-46.0	19.5-24.0	2.5-4.00	≤ 1.20	n/a	Bal.
758-965	793	≤ 32	≤ 0.03	≤ 0.75	≤ 1.00	≤ 0.07	33.0-38.0	20.5-23.5	4.00-5.00	n/a	0.20-0.80	Bal.

862-965	896	≤ 33	≤ 0.03	≤ 0.75	≤ 1.00	≤ 0.07	33.0-38.0	20.5-23.5	4.00-5.00	n/a	0.20-0.80	Bal.
758-965	828	≤ 33	≤ 0.03	≤ 1.00	≤ 1.00	≤ 1.20	47.0-54.0	23.0-26.0	6.00-9.00	≤ 0.69	≤ 3.0	Bal.
862-1000	896	≤ 36	≤ 0.03	≤ 1.00	≤ 1.00	≤ 1.20	47.0-54.0	23.0-26.0	6.00-9.00	≤ 0.69	≤ 3.0	Bal.
758-965	828	≤ 34	≤ 0.03	≤ 0.50	≤ 1.00	≤ 2.00	49.0-53.0	19.0-23.0	10.1-12.0	n/a	≤ 1.50	Bal.
862-1000	896	≤ 36	≤ 0.03	≤ 0.50	≤ 1.00	≤ 2.00	49.0-53.0	19.0-23.0	10.1-12.0	n/a	≤ 1.50	Bal.
758-965	793	≤ 38	≤ 0.01	≤ 0.08	≤ 1.00	Co≤ 2.5	Bal	14.5-16.5	15.0-17.0	V≤ 0.35	3.0-4.5	4.0-7.0
862-1000	896	≤ 38	≤ 0.01	≤ 0.08	≤ 1.00	Co≤ 2.5	Bal	14.5-16.5	15.0-17.0	V≤ 0.35	3.0-4.5	4.0-7.0
965-1103	1000	≤ 40	≤ 0.01	≤ 0.08	≤ 1.00	Co≤ 2.5	Bal	14.5-16.5	15.0-17.0	V≤ 0.35	3.0-4.5	4.0-7.0

- Certain seamless OCTG products, particularly grades having collapse resistance (High-Collapse), with the following strength characteristics:

Yield Strength (MPa)	**Tensile Strength (MPa)**
552-758	≥ 689
655-862	≥ 758

758-965	≥ 862
862-1069	≥ 931
862-1034	≥931
896-965	≥931

- Certain ERW (Electric Resistance Welded) OCTG products with several properties superior to API, including collapse resistance, hardness, pipe body internal yield pressure, minimum wall thickness, and drift diameter.

Line Pipe

Many of NSSMC's line pipe products (i.e., high strength grades (X60/X65/X70), and/or heavier wall thickness (greater than 0.500")) are beyond the capabilities of U.S. manufacturers. Sales of NSSMC's welded line pipe 16" and below have historically been made almost exclusively to affiliated distributors, who value NSSMC's superior quality and technology. The specifications of these line pipe products include:

- Certain seamless line pipes with ≥ 60 ksi yield strength, ≥ 1,500 feet water depth, outside diameter ≥ 4.5" to 16", and API Monogram not permitted.

- Certain welded line pipes made to the following grades:

WELD	**Grade**		
	A, B, X42	**X52, X56**	**X60 & greater**
18″≦D≦22″	WT≧ 0.750″		
24″≦D < 30″	WT > 0.875″	WT > 0.750″	WT > 0.688″
30″≦to < 36″	WT > 1.250″	WT > 1.000″	WT > 0.875″
36″≦to < 42″	WT > 1.375″	WT > 1.250″	WT > 1.125″
42″≦to < 64″	WT > 1.500″	WT > 1.375″	WT > 1.250″
48″	X80, WT ≧ 1.000″		
48″ ≦to < 52″	> X80, WT ≧ 0.900″ > X100, WT ≧ 0.540″		
21″	X80, WT ≧ 0.625″		

Structural Steel

- Certain flange beams made to NSSMC specification NSHYPER BEAM.
- "Hat-type" steel sheet piles with an effective width of 900 mm, made to the following NSSMC specifications: NS-SP-10H, NS-SP-25H, NS-SP-45H, or NS-SP-50H.[†]

II. The Department Should Recommend that the President Exclude Products that Are Not Produced by the U.S. Mills in Sufficient Quantities and/or to Quality Standards Necessary to Satisfy the Demand of U.S. Customers

In addition to the products discussed above, NSSMC has identified specific types of steel plate, structural steel, steel coil and sheet, grain-oriented electrical steel ("GOES"), tool steel, rails, railway wheels, wire/wire rod, and pipes and tubes that are produced by U.S. mills but not produced in a quantity and/or quality sufficient to satisfy the demand of U.S. customers. Many

[†] The U.S. mills produce only "Z-type" steel sheet piles which have a maximum width of 575 mm.

customers are unable to use such products due to these quantity limitations and quality concerns, which are described further below.

A. Quantity Limitations

First, for several products, U.S. mills do not have the capacity to produce and/or supply the products in the quantities demanded by U.S. customers. Therefore, the supply of these products from U.S. mills is limited, and must be supplemented by imports to meet U.S. demand. These products include the following:

Steel coil and sheet

U.S. customers are unable to obtain the quantities required of certain hot-rolled coil and sheet because it is cost prohibitive to ship these products to the west coast of the United States. Freight costs and rail car shortages make supply from U.S. mills located in the eastern half of the United States non-competitive and not feasible for large volume shipments of certain products to the west coast. One such product is listed below:

- Certain hot-rolled coil meeting the proprietary specifications provided in the attachment.

Likewise, in some cases, U.S. mills may not offer certain products because they do not have the approval of the end user to supply those products. Therefore, the products must be imported from an approved manufacturer. Such products include:

- Certain drawing quality cold-rolled electrogalvanized steel coil and sheet of thickness between 0.4 and 2.6 mm, and width between 600 and 1650 mm, with yield point ≤ 195, and tensile strength ≥ 270 N/mm^2.
- Commercial quality cold-rolled electrogalvanized steel coil and sheet of thickness between 0.4 and 2.6 mm, and width between 600 and 1650 mm.

Steel Plate

U.S. mills do not have the capacity to produce steel plate to the specifications provided below in the quantities demanded by U.S. customers:

- Certain abrasion resistant cut-to-length steel plate of thickness between 4 and 100 mm and width between 1200 and 4500 mm, meeting the following specifications:

Brinell Hardness (HBW)	**C (%)**	**Si (%)**	**Mn (%)**	**P (%)**	**S (%)**	**Ni (%)**	**Cr (%)**	**Mo (%)**	**B (%)**
360 – 440	≤0.21	≤0.70	≤2.00	≤0.025	≤0.010	≤1.00	≤1.20	≤0.60	≤0.005
410 – 490	≤0.23	≤1.20	≤2.00	≤0.025	≤0.010	≤1.00	≤1.50	≤0.60	≤0.005
450 - 550	≤0.35	≤1.20	≤2.00	≤0.015	≤0.010	≤1.00	≤1.50	≤0.60	≤0.005
550 - 650	≤0.45	≤0.70	≤2.00	≤0.015	≤0.010	≤1.00	≤1.20	≤0.60	≤0.005
360 - 440	≤0.21	≤1.20	≤2.00	≤0.020	≤0.010	≤1.00	≤1.20	≤0.60	≤0.005
410 - 490	≤0.28	≤1.20	≤2.00	≤0.020	≤0.010	≤1.00	≤1.50	≤0.60	≤0.005
450 - 550	≤0.35	≤1.20	≤2.00	≤0.015	≤0.010	≤1.00	≤1.50	≤0.60	≤0.005

- High strength cut-to-length plate produced by the thermo-mechanical control process, meeting the requirements of API 2W Grade 50.

- High strength cut-to-length plate produced by the thermo-mechanical control process, meeting the requirements of API 2W Grade 60.

- Nickel alloy cut-to-length plate, quenched and tempered, containing 7-9% nickel.

- Cut-to-length plate meeting the requirements of API 5L Grade X65 or higher.

GOES

U.S. mills focus primarily on producing and selling conventional grades of GOES, and do not have the capacity to produce high-end GOES products in the quantities demanded by U.S. customers. The specifications of these high-end products are provided below:

- Certain GOES sheet having the following properties:

Item	Thickness (mm)	Core Loss (W/kg) W17/50	Induction (T) B_8	Lamination Factor (%)
ORIENTCORE HI-B	0.23	≤ 1.00	≥ 1.88	≥ 94.5
	0.27	≤ 1.10	≥ 1.88	≥ 95.0
	0.30	≤ 1.20	≥ 1.88	≥ 95.5
	0.35	≤ 1.35	≥ 1.88	≥ 96.0
ORIENTCORE HI-B LS	0.23	≤ 0.90	≥ 1.88	≥ 94.5
	0.27	≤ 0.95	≥ 1.88	≥ 95.0
ORIENTCORE HI-B PM	0.23	≤ 0.90	≥ 1.87	≥ 94.5

Tool Steel

U.S. mills do not have the capacity to produce tool steel to the specifications provided below in the quantities demanded by U.S. customers:

- Certain heat-treated raw die blocks for hot forging, meeting NSSMC standard SDH3.
- Certain forged crankshafts with alloy steel, meeting the proprietary specifications provided in the attachment to this letter.

Rails

U.S. mills do not have the capacity to produce rails to the specifications provided below in the quantities demanded by U.S. customers:

- Certain steel rails having the following mechanical properties and chemical composition:

Grade	C	Si	Mn	Cr	Yeild Strength (MPa)	Tensile Strength (MPa)	Elongation (%)	Surface Hardness (HB)
HE400	0.9	0.3	0.9	0.2	910	1385	12	400
DHH370	0.8	0.3	1.0	0.2	830	1290	14	370

- Certain steel rails meeting the proprietary specification provided in the attachment to this letter.

Railway Wheels/Axles

U.S. mills do not have the capacity to produce railway wheels/axles to the specifications provided below in the quantities demanded by U.S. customers:

- Heat treated steel railway wheels meeting the requirements of AAR specification M-107/M-208.
- Heat treated steel railway wheels meeting the requirements of AAR specification M-101.
- Certain noise reduced lightweight wheels and axles made to the proprietary specification provided in the attachment.

B. Quality Concerns

Second, in addition to the quantity limitations discussed above, quality is also a concern because U.S. mills have proven unable to consistently produce some products to the high level of

quality demanded by U.S. customers. Therefore, U.S. purchasers must look to imports in order to satisfy their customers.

For example, one reason that U.S. customers purchase NSSMC's wide flange beams is that U.S. mills cannot produce these products with the dimensional tolerances and quality required by U.S. customers. Similarly, U.S. customers purchase NSSMC's high-strength tube and certain steel coils and sheets because U.S. mills cannot meet customers' desired quality and specifications. Further, U.S. customers purchase NSSMC's wire rod because they have found that the wire rod manufactured by the U.S. mills has inferior characteristics, such as low surface quality and/or impurities. The particular specifications of these products are provided below.

Structural Steel

- Wide flange beams meeting the requirements of any of the following specifications:

  ASTM A-992;
  ASTM A-572 grade 50;
  JIS G3101 SS400;
  EN 10025 S275JR;
  EN 10025 S275J0; or
  EN 10025 S355J0

- Certain straight web-type sheet piles made to the following NSSMC specifications: NS-SP-FL or NS-SP-FXL.[‡]

- Steel Sheet Piles meeting the requirements of any of the following specifications:

  ASTM A-992;
  ASTM A-572 grade 50;

[‡] These products are superior to the products produced by the U.S. mills in several respects, including joint strength and deviation angle.

JIS A 5523; or
JIS A 5528

Pipes and Tubes

- Certain high strength tubes meeting NSSMC specification SUMISTRONG80QC(SML-HOT).

- Certain stainless pipes for piping in petro-chemistry, petroleum refineries, boiler applications and heat exchangers, meeting the proprietary specifications provided in the attachment to this letter.

- Certain nickel alloy tubes for ethylene plants, seamless redraw tubes, and heat exchangers meeting the proprietary specifications provided in the attachment to this letter.

- Certain hydraulic high pressure tube meeting the proprietary specifications provided in the attachment to this letter.

Wire/Wire Rod

- Certain wire rod containing 0.80 percent carbon or above, meeting the proprietary specifications provided in the attachment to this letter.

- Certain carbon and alloy steel cold heading quality wire rod, meeting the proprietary specifications provided in the attachment to this letter.

- Certain carbon and alloy steel wire for cold forging automobile components, meeting the proprietary specifications provided in the attachment to this letter.

- Certain wire rod containing 0.90 percent carbon or above, meeting the proprietary specification provided in the attachment to this letter.

- Certain carbon steel bar with added sulfur, meeting the proprietary specifications provided in the attachment to this letter.

- Certain alloy steel wire rods for suspension springs, meeting the proprietary specifications provided in the attachment to this letter.

- Certain wire rods for ball bearing steel, meeting the proprietary specifications provided in the attachment to this letter.

Steel coil and sheet

- Certain hot-rolled high-yield steel sheets meeting the proprietary specifications provided in the attachment to this letter.

Further, U.S. customers have engaged U.S. mills in product trials in order to test the quality of their products. However, these trials have failed because the customers found that the quality of the U.S. mills' products was inferior to that of the imported merchandise. One such product is as follows:

- Certain high-strength dual phase steel coil and sheet of thickness between 0.8 and 2.3 mm, and width between 800 and 1350 mm, with yield point ≤ 885 N/mm^2, and tensile strength ≥ 980 N/mm^2.

Moreover, U.S. customers have not even been willing to test certain products produced by the U.S. mills because they fear that they would no longer be able to guarantee the safety of their finished merchandise. These products include:

- Certain structural quality cold-rolled hot-dip galvannealed steel coil and sheet of thickness of 2.9 mm, with yield point ≥ 335 N/mm^2, and tensile strength ≥ 440 N/mm^2, having the following chemical composition:

C (%)	**Mn (%)**	**P (%)**	**S (%)**
< 0.25	< 2.00	< 0.20	< 0.05

- Certain drawing quality cold-rolled hot-dip galvannealed steel coil and sheet of thickness of 0.6 mm and width of 1668 mm, with tensile strength ≥ 270 N/mm^2.

For the foregoing reasons, the Department should recommend that the President exclude the products listed above from any remedies that may be imposed by the President as a result of

this investigation. U.S. consumers benefit greatly from access to these imported products, which otherwise would not be available in the United States in the quantity and quality demanded. Therefore, imports of the products listed above, like imports of the products listed in Section I, do not compromise the national security – and in fact support the economic security – of the United States.

* * *

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).

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 & Sumitomo Metal Corporation

CONTAINS NO BUSINESS CONFIDENTIAL INFORMATION

Customers' Proprietary Specifications

Steel Coil and Sheet

a. Hot-Rolled Coil and Sheet

- Certain hot-rolled coil and sheet meeting proprietary specifications **[**

  ].

- Certain hot-rolled high-yield steel sheets meeting proprietary specifications **[**
  ].

- Certain hot-rolled steel sheets meeting proprietary specifications **[**
  ].

b. Cold-Rolled Coil and Sheet

- Certain dual phase steel sheets meeting proprietary specification **[**
  ].

c. Corrosion Resistant Steel Coil and Sheet[§]

- Certain hot-dipped galvannealed steel sheets meeting proprietary specifications **[**
  ].

- Certain steel coil and sheets coated with lead and tin, meeting proprietary specifications **[**].

Tool Steel

- Certain forged crankshafts with alloy steel, meeting proprietary specifications **[**
  ].

Rails

- Certain steel rails which are 480ft long, meeting proprietary specification **[** **]**.

[§] Galvanized and galvannealed products produced by NSSMC are sold to customers in the United States. **[**

].

- Certain steel rails meeting proprietary specification **[ ]**.

Railway Wheels/Axles

- Certain noise reduced lightweight wheels and axles made to proprietary specification **[ ]**.

Wire/Wire Rod

- Certain wire rod containing 0.80 percent carbon or above, meeting proprietary specifications **[**].
- Certain carbon and alloy steel cold heading quality wire rod, meeting proprietary specifications **[**

  ].
- Certain carbon and alloy steel wire for cold forging automobile components, meeting proprietary specifications **[**

  ].
- Certain valve spring quality alloy wire rods meeting proprietary specifications **[ ]**.
- Certain wire rod containing 0.90 percent carbon or above, meeting proprietary specification **[ ]**.
- Certain carbon steel bar with added sulfur, meeting proprietary specifications **[**

  ].
- Certain alloy steel wire rods for suspension springs, meeting proprietary specifications **[ ]**.
- Certain wire rods for ball bearing steel, meeting proprietary specifications **[**

  ].

Pipes and Tubes

- Certain hydraulic high pressure tube meeting proprietary specifications **[**

  ].
- Certain automotive stabilizers meeting proprietary specifications **[**

  ].

CONTAINS NO BUSINESS CONFIDENTIAL INFORMATION

- Certain stainless pipes for piping in petro-chemistry, petroleum refineries, boiler applications, and heat exchangers meeting proprietary specifications **[ ]**.

- Certain nickel alloy tubes for ethylene plants, seamless redraw tubes, and heat exchangers meeting proprietary specifications **[ ]**.