



May 31, 2017

Brad Botwin  
Director, Industrial Studies  
Office of Technology Evaluation  
Bureau of Industry and Security  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W.  
Washington, DC 20230

*via e-mail: Steel232@bis.doc.gov*

***RE: Request for Public Comments on Section 232 National Security Investigation of Imports of Steel***

Dear Mr. Botwin:

On behalf of Pentaflex, Inc. in Springfield, OH with 114 employees nationwide, we appreciate the administration's focus on growing U.S. manufacturing. However, as a company that survived the 201 steel tariffs more than a decade ago, the harm inflicted on the metal stamping industry is still fresh in the minds of many as we try to compete globally. Pentaflex employees manufacture metal stampings and assemblies from steel for the commercial truck, automotive, medical, and off-road industries, among others. Our products go into vehicles help move America's commerce around the country and transport supporting our nation's security and economy.

We are concerned the 232 has the potential to lay the groundwork for a return to higher steel prices, short supply, and an increase of imported foreign stampings containing foreign steel. Companies like ours in Ohio cannot afford a disruption or sudden spike in our most important input – steel, which accounts for 58% of our input costs. The heavy truck industry has gone through several ups and downs recently and our employees and our business plan rely on globally priced and readily available steel.

Pentaflex and most other Ohio manufacturers like of our size purchase steel from metal service centers and while we prefer domestically produced steel, we need to meet our customer's demand while remaining competitive from a pricing standpoint. Customers are looking for any excuse to seek lower costs and are often willing to risk quality to save dollars. Imposing across the board tariffs or quotas on imported steel will shift the injury from steel producers to steel consumers, which employ millions of Americans across the defense, aerospace, automotive, medical and other industries.

Our steel suppliers indicate a delay of several weeks if we insist on domestically produced steel, which could cause not only increased costs for our business but also potentially losing the job to a foreign competitor. Often the challenges are not just limited to delays but also involve specialty steel that is not manufactured in the quantity or to the specifications required for military purposes.

Unilateral tariffs could compound challenges many tool and die makers also face following results from the recent decision on imported steel cut to length plate. The U.S. International Trade Commission reversed thirty-five years of precedent and elected to no longer exempt tool/die steel from duties imposed on imports. U.S. tool and die makers already have limited steel supply options and the anti-dumping duties of 150% will simply lead to the import of more tools and dies containing foreign made steel entering the U.S. duty free and eliminating domestic tool and die suppliers.

Prior to taking unilateral action on tariffs or quotas on steel imports, we ask that you provide a mechanism to exclude steel that is in short supply, not manufactured in the U.S. or not available on a timely basis. Disruptions in our supply the defense industrial supply chain can send ripple effects throughout the military at a time when we face challenges across the globe.

Thank you for considering how your actions on the 232 will affect thousands of steel consuming companies like ours and the millions of employees located in every state. We need to enforce our trade laws in a way that does not shift injury from a few large corporations to countless small businesses like Pentaflex.

Sincerely

A handwritten signature in black ink that reads "David Arndt". The signature is written in a cursive style with a large initial "D".

Dave Arndt  
President and CEO  
Pentaflex, Inc.