

Robert J. Pisani*
Michael E. Roll**
Brett Harris***
*Admitted in DC
**Admitted in CA
***Admitted in DC & NY

PISANI & ROLL LLP
Attorneys at Law
1875 Century Park East, Suite 600
Los Angeles, CA 90067
310.826.4410(t)
877.674.5789 (f)
www.worldtradelawyers.com

1629 K Street NW, Suite 300
Washington, DC 20006
202.466.0960(t)
877.674.5789 (f)

Michael E. Roll
mroll@worldtradelawyers.com

May 31, 2017

VIA EMAIL (steel232@bis.doc.gov)

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, DC 20230

Re: Comments on Section 232 Investigation Concerning Steel Imports

Dear Director Botwin:

Further to the notice published in the Federal Register on April 26, 2017 (82 Fed. Reg. 19,205), we are writing on behalf of our client, Pentair plc, to comment on the ongoing investigation that the Commerce Department is conducting pursuant to Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862).

As you know, Section 232 allows the Commerce Department to investigate whether imports of certain products, in this case “steel,” are negatively threatening or impairing U.S. national security interests. Per Title 19, Section 1862 the Commerce Department must consider these factors when conducting its investigation:

1. domestic production needed for projected national defense requirements;
2. domestic industry’s capacity to meet those requirements;
3. related human and material resources;
4. the importation of goods in terms of their quantities and use;
5. the close relation of national economic welfare to U.S. national security;
6. loss of skills or investment, substantial unemployment and decrease in government revenue; and
7. the impact of foreign competition on specific domestic industries and the impact of displacement of any domestic products by excessive imports.

Mr. Brad Botwin

Page 2

May 31, 2017

19 U.S.C. 1862(d).

Pentair (www.pentair.com) invents and manufactures solutions that address some of the world's toughest challenges with regard to water, energy and food, with over 75 percent of its products, services and technologies related to food, water or energy. It serves a wide variety of customers in the food and beverage, residential and commercial, industrial, infrastructure, and energy verticals. Annual sales in the United States are approximately \$3 billion.

Pentair employs over 3,000 people in the United States. Its Hoffman business unit, which is based in Anoka, MN and employs nearly 1,000 people, focuses on building electrical enclosures, many of which are made from steel. In fact, Hoffman consumes over 100m lbs of flat sheet steel, a large percentage of which, but not all, is procured from US mills. Pentair's EFS (electrical fastening system) business unit, located primarily outside of Cleveland, OH also employs nearly 1,000 people. It consumes numerous products made from steel, such as hardware, shapes, castings, locking nuts, cast iron pipe clamps, pipe hangers (sway braces), speed link devices, pipe straps, loop hangers, pipe hangers/clamps, and beam clamps. These items are purchased both domestically and from abroad. In both instances, Pentair has integrated global supply chains that would face negative consequences in the event downstream products are included as a target of this investigation. Already Pentair is facing negative consequences due to the ambiguity around exactly what will be covered. As the Department is aware the word "steel" covers numerous types of products and the marketplace is currently being adversely affected as a result of the lack of clarity around what will be covered by the Section 232 investigation.

Pentair understands that it is one of many companies that could be negatively affected by restrictions or interruptions to the steel market. To date, the Commerce Department has published no guidance regarding the precise scope of what products will be covered by the Section 232 investigation. In reaching decisions about the ultimate scope of products to be covered, Pentair urges the Commerce Department to draw the list as narrowly as possible and to omit any downstream products that are not directly and specifically used in the defense industry. The scope of the Section 232 investigation should, at a minimum, not extend beyond the current list of steel products subject to antidumping and countervailing duties. Otherwise, interruptions to Pentair's steel supply puts in jeopardy many of the jobs of the 3,000 Pentair employees.

Mr. Brad Botwin
Page 3
May 31, 2017

Thank you for consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Roll". The signature is stylized with a large initial "M" and a long, sweeping underline.

Michael E. Roll

CC: Pentair plc