



บมจ. สหไทยสตีลไพล์ 78 หมู่ 3 ถนนปู่เจ้าสมิงพราย ต.บางหญ้าแพรก อ.พระประแดง สมุทรปราการ 10130
SAHA THAI STEEL PIPE PCL. 78 Moo 3, Poochao Road, Bangyapreak, Phrapradaeng, Samuthprakarn 10130 Thailand
Tel: +66 (0) 2385 9023 Fax: +66 (0) 2754 4100 www.sahathai.com

May 29, 2017

The Honorable Wilbur Ross
Secretary of Commerce
1401 Constitution Ave NW
Washington, DC 20230

Dear Mr. Secretary,

Sahathai Steel Public company limited with US importer license No. 97270400265 wishes to express its objection to the United States Department of Commerce's ("DOC") initiation of the Section 232 investigation on imported steel. Sahathai agrees with the dissenting views heard in the Public Hearing on May 24, 2017. First and foremost, a Section 232 investigation is inappropriate as steel imports do not pose a threat to U.S. national security. Specifically, imports of steel Pipe from Thailand do not in any way harm the national security of the United States and if the DOC pursues a Section 232 investigation Thailand's exports of steel Pipe should be excluded. Thailand's steel producers are a critical source of supply for U.S. fabricators, distributors, and purchasers. Lastly, a section 232 is unnecessary as other trade remedies are effective in protecting the United States from dumped imports.

Secretary Ross stated at the opening of the Public Hearing that purpose of the Section 232 investigation of steel imports is "to determine if imported steel impairs the national, economic, and military security of the United States." As an initial matter, a Section 232 investigation, does not apply to economic security. According to the Bureau of Industry and Security's Section 232 Investigations Program Guide, "the purpose of the investigation is to determine the effect of imports on the national security." The category considered in this investigation of all steel imports is much too broad to be considered a threat to national security. Included in this category are steel cords used in tires, rebar for cement reinforcement, and tin plate used for tin cans. Based on



บมจ. สหไทยสตีลไพพ์ 78 หมู่ 3 ถนนปู่เจ้าสมิงพราย ต.บางหญ้าแพรก อ.พระประแดง สมุทรปราการ 10130
SAHA THAI STEEL PIPE PCL. 78 Moo 3, Poochao Road, Bangyapreak, Phrapradaeng, Samuthprakarn 10130 Thailand
Tel: +66 (0) 2385 9023 Fax: +66 (0) 2754 4100 www.sahathai.com

this guideline, it is clear that the broad category of all steel imports does not have an effect on national security and a 232 investigation is unnecessary.¹

Prior 232 investigations determined whether imports represent a threat to national security based on excessive dependence on imports from unreliable or unsafe sources, or threats to the viability of U.S. industries and resources. The DOC and U.S. International Trade Commission (“ITC”) have made it clear through their affirmative decisions that have placed punitive antidumping and countervailing duties on imports that the U.S. market is not dependent on imports and is readily supplied by U.S. producers.

If the Secretary believes a Section 232 investigation is appropriate then Thai welded pipe and tube, also referred to as standard pipe, should be excluded from the investigation. Almost all of Thailand’s exports to the United States has consisted of standard pipe. Standard pipe, circular welded non-alloy steel pipe not more than 16 inches in outside diameter, is not used for national security applications. As defined by the ITC, standard pipe is used in buildings, sprinkler systems, irrigation systems, and water wells for low-pressure conveyance of air, steam, natural gas, water, oil, or other liquids and gases. These commercial applications of standard pipe have no bearing on the United States’ national security, and should therefore be excluded from the Section 232 investigation.

Imports of standard pipe from Thailand are a crucial source of supply for U.S. distributors, fabricators, and purchasers. The Department of Commerce heard ample testimony during its Public Hearing that U.S. manufacturers depend on high-quality imports. Standard pipe imported from Thailand is no different, and accounts for a large share of the cost of the end-products in which it is used, including pipe systems and fire sprinkler systems. There are multiple sizes and grades of standard pipe which U.S. producers cannot create and importers of Thai steel demand. Without high-quality standard pipe from Thailand, U.S. manufacturers operating in a competitive industry will either face a supply shortage or will have to source from more expensive suppliers and will increase costs to the detriment of their profits.

¹ The share of shipments for national defense applications is very small. Only 3 percent of U.S. steel shipments are for national defense and homeland security applications, and U.S. steel producers have ample capacity and production to supply these shipments.

Lastly, the United States already uses trade remedies such as Antidumping and Countervailing duty investigations to protect domestic industries from unfairly dumped imports. According to the ITC, there are 162 active orders on steel products from various countries, including standard pipe from Thailand. These protective mechanisms are effective, and a Section 232 investigation may impose redundant and conflicting remedies.

If there is a remedy in response to the Section 232 investigation, Sahathai requests that any producer that has received zeros in the most recent administrative review of antidumping orders be excluded. These Thai companies have demonstrated that they do not engage in injurious dumping, and therefore their imports pose no threat to U.S. national security. Thai companies are exporting a product that has no real military use. These exports are not endangering any industry in the United States that is critical to national security. Therefore, these companies should be excluded from any trade restraints resulting from this investigation.

Yours sincerely,



Methita Rachrongmuang

Vice President

Saha Thai Steel Pipe Public Company Limited.