



SEILKOP INDUSTRIES, INC.

A-G Tool & Die Co. • Epcor Foundries • Hitech Shapes & Designs • Hamilton Precision LLC

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 Seilkop Industries with four manufacturing divisions located in Cincinnati, Hamilton, and Miamitown, Ohio, I ask that any action resulting from the 232 investigation not further restrict access to globally priced and readily available steel that thousands of companies like ours need to employ millions of Americans and support our national security.

Divisions within Seilkop Industries manufacture dies, tooling, and foundries and rely on free markets to set terms for our contracts and raw materials. Together, we employ 123 persons in Ohio, manufacturing products that either directly supply the automotive, appliance and heavy equipment industries, or provide tools and dies for machines producing parts for those and other industries. Steel accounts for roughly 30% of our input costs. Without access to steel when we need it, our divisions cannot operate or continue to employ those Ohioans. In addition, I am very concerned that tariffs and import quotas on steel pose a serious threat to the defense industrial base causing major disruptions.

Even for those of us not importing certain steel products, imposing tariffs artificially increases prices while decreasing availability through quotas. Manufacturers already face significant burdens imposed by our own government from taxes to EPA regulations to OSHA overreach, restricting access to raw materials will only worsen our global competitiveness.

Compounding the situation is the Department of Commerce's recent decision to reverse thirty-five years of precedent and no longer exempt tool steel from duties imposed on cut to length plate. The U.S. Government for decades considered tool and die steel a distinct industry in a wide variety of U.S. antidumping and countervailing duty investigations, safeguard proceedings, and Congressionally-mandated economic studies. The U.S. International Trade Commission

(ITC), the Department, and the U.S. steel industry have all treated tool steel as a distinct and separate product from other types of carbon and alloy steel and stainless steel.

Combined duties on tool and die steel are now over 200% at a time when companies like ours struggle to source the raw material we need that is not manufactured in the U.S. in the quantities needed. Smaller downstream manufacturers typically do not have the ability to pass those costs along to customers. Even in cases when our customers will absorb the new price increases, the duties make the final U.S. product more expensive and encourages industrial and personal consumers to seek a cheaper final product imported without any taxes imposed.

If the President decides to move forward with applying tariffs or imposing quotas, on behalf of the jobs we provide and the millions of steel consuming employees like them nation-wide, we ask that you exclude steel used in manufacturing tools and dies such as cut to length plate. While manufacturers will still face more than 200% duties due to the ITC decision, an exclusion will not cause further harm to manufacturers in Ohio and around the country.

As a long time member and past Chairman of the National Tooling and Machining Association, I am very familiar with the potential benefits of the Section 232 investigation. While in a different era and prior to a fully integrated supply chain becoming the reality, the Reagan administration negotiated and President H.W. Bush extended voluntary restraint agreements with Japan and Taiwan from 1987 through 1993 to assist in revitalizing the U.S. machine tool industry. In this case, unilateral action on all steel products would cause serious harm across the entire economy.

President Ronald Reagan recognized the importance of the machine tool industry to our nation's economy and national security when we sought the agreements. We ask that you continue that legacy by supporting the American tool and die makers and exempting cut to length plate and other raw materials we need to support our nation's security and economy.

Thank you for your consideration of the impact action will have on manufacturing.

Sincerely,

A handwritten signature in black ink that reads "Kenneth Seilkop". The signature is written in a cursive, flowing style.

Ken Seilkop
President