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#### PUBLIC DOCUMENT

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
Washington, D.C. 20230

Re: SSAB Americas' Statement for the Section 232 Investigation of Steel Imports

Dear Director Botwin:

On behalf of domestic steel producer SSAB Americas, we hereby timely submit this written statement to the U.S. Department of Commerce (the "Department") pursuant to the investigation to determine the national security effects of steel imports conducted under Section 232 of the Trade Expansion Act of 1961 ("Section 232"). As set forth in turn below: (i) SSAB Americas domestically manufactures steel products for national security; (ii) unfairly traded steel is injuring the domestic industry and necessitating trade relief beyond that afforded by antidumping duty ("AD") and countervailing duty ("CVD") orders; (iii) the Section 232 regulatory criteria establish that unfairly traded steel imports threaten to impair national security; (iv) Sweden and Finland are model trading partners and should be excluded from resulting import restrictions; and (v) quotas on all products in Chapters 72 and 73 of the Harmonized

Notice of Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel, 82 Fed. Reg. 19,205 (Apr. 26, 2017).

Tariff Schedule of the United States ("HTSUS") from countries that pose a threat are necessary to ensure national security.

#### **PREAMBLE**

SSAB is a global steel company with main production sites located in the United States, Sweden, and Finland, as well as downstream activities in several other countries. We export our products to more than 60 countries world-wide. We support global free trade as the fundamental basis for growth and prosperity, as well as democratic development in the world. In order to reach and maintain such positive effects of global free trade, it is however a prerequisite that all participants in a global free trade environment compete on fair terms and conditions. State interventions through subsidies and companies dumping products outside their home markets would eventually lead to better companies being outcompeted by worse, thereby counteracting the core purpose of global free trade.

## I. SSAB AMERICAS DOMESTICALLY MANUFACTURES STEEL PRODUCTS FOR NATIONAL SECURITY

SSAB Americas is the largest producer and supplier of steel plate in North America, offering a wide range of quality steel products including high-strength steels. Our mills in Alabama and Iowa have a combined annual capacity of 2.4 million tons, with 1.9 million tons shipped in 2016. We melt and pour world class quality steel from the most modern and technologically advanced Electric Arc Furnaces and plate mills in the country. We employ approximately 1,200 Americans. Our employees in Iowa, Alabama, Minnesota, and Texas are proud to make steel found in military ships, heavy machinery, rail cars, and pipelines.

SSAB Americas' sales of steel products for direct military applications represent a significant and growing section of our portfolio. SSAB Americas was selected to supply the USNS John Glenn, a Navy Expeditionary ship built by NASCCO in San Diego, California and christened in 2014. SAIC's amphibious combat vehicle manufactured in Lansing, Michigan uses material produced at SSAB Americas' Mobile, Alabama mill. Our military specification steels can also be found in the Oshkosh joint light tactical vehicle being built in Dodge Center, Minnesota and Oshkosh, Wisconsin. These examples illustrate the prominence of our steel products being used for national defense.

Beyond such direct military applications, SSAB Americas supplies steel for a broad range of products that are vital to the economic security of the United States, for use in myriad energy, agricultural, construction, and transportation applications. For example, our steel is used to construct highway and waterway infrastructure, which not only builds an efficient means of daily commerce but also ensures a reliable supply chain in times of emergency. SSAB Americas' steel is in the transmission towers and pipelines that are critical to the transport of energy from source to needs all over the country; machinery and equipment required to maintain American infrastructure year after year is also made with SSAB Americas' steel. Market forces require that SSAB Americas produce a broad portfolio of steel products. We manufacture and ship hundreds of thousands of tons of steel products annually in each of the following categories.

- <u>Energy</u> for energy power plants (*e.g.*, wind towers), energy transportation (*e.g.*, line pipe), and pressure vessels, as well as to store and pack energy products.
- <u>Agricultural/Construction</u> for yellow goods and construction machinery, agriculture, forestry and fishing, material handling, and mining.
- <u>Transportation</u> for automotive, aviation, railway transport, ships and offshore, trailers and body builders; trucks and buses, and building structures and infrastructure (*e.g.*, bridges).

The majority of SSAB Americas' customers – such as producers of line pipe and oil country tubular goods ("OCTG"), wind towers, and steel fabricated parts – have an important national security role. Moreover, the health of our economy is inextricably intertwined with our national security. The domestic economy must be both strong and nimble to shift to production and maintenance of defense and critical infrastructure needs in time of crises. It is in peacetime (however relative) that the domestic steel industry builds, strengthens, and tests our production capabilities in a market economy. The pressures that hinder profitable domestic steel production must be addressed as a matter of national security.

The Department has expressly recognized that national security involves far more than the military. In its most recent Section 232 investigation of *Iron Ore and Semi-Finished Steel*, the Department "adopted a broader concept of national security, one that also embraces the needs of those industries that the U.S. Government has determined are critical to minimum operations of the economy and government." As explained in that 2001 proceeding:

In addition to the satisfaction of national defense requirements, the term "national security" can be interpreted more <u>broadly to include the general security and welfare of certain industries</u>, beyond those necessary to satisfy national defense requirements, that are critical to the <u>minimum operations of the economy</u> and government ("critical industries"). . . .

Moreover, the legislative history of Section 232, including the legislative history of predecessor provisions, indicates that some members of Congress intended that "national security" should encompass certain domestic economic concerns, in addition to national defense concerns. *See e.g.* S. Rep. No. 85-1838, at 12 (1958).

Accordingly, . . . we have included in "national security" the requirements of certain critical industries for finished steel and based thereon, for iron ore and semi-finished steel as inputs.<sup>3</sup>

The Effect of Imports of Iron Ore and Semi-Finished Steel on the National Security (Oct. 2001), at 14.

<sup>&</sup>lt;sup>3</sup> *Id.* at 5 (emphasis added).

The Department in *Iron Ore and Semi-Finished Steel* correctly concluded that input consumption by 28 critical industries implicated national security, including:

- "Crude petroleum and natural gas";
- "New construction":
- "Maintenance and repair construction";
- "Metal containers";
- "Aircraft and parts";
- "Other transportation equipment";
- "Railroad and related services";
- "Pipelines"; and
- "National defense."<sup>4</sup>

These previous Department findings confirm the great extent to which SSAB Americas manufactures steel products for national security.

### II. UNFAIRLY TRADED STEEL IS INJURING THE DOMESTIC INDUSTRY AND NECESSITATING TRADE RELIEF BEYOND AD/CVD ORDERS

Cut-to-length steel plate ("CTLP") is the primary product manufactured by SSAB Americas, with myriad uses including military applications. Unfairly traded steel imports have had, and are continuing to have, disastrous effects on our business. SSAB Americas represents more than one-third of domestic CTLP production, and in early 2016 joined with other domestic producers to petition for trade relief. Such action was necessary because CTLP imports more

<sup>&</sup>lt;sup>4</sup> *Id.* at 16, Table 2.

than doubled between 2013 and 2014, and stayed at high levels in 2015.<sup>5</sup> As a result, the U.S. International Trade Commission ("ITC") recently found the domestic industry materially injured by low-priced, unfairly traded imports of CTLP cut-to-length steel plate ("CTLP") between 2013 and 2015 from Austria, Belgium, Brazil, China, France, Germany, Japan, Korea, Russia, South Africa, Taiwan, Turkey, and Ukraine.<sup>6</sup>

The ITC specifically found that low-priced, unfairly traded CTLP imported between 2013 and 2015 took an additional eight percent of the market away from the domestic industry. This increased import market share caused a host of negative effects upon the domestic CTLP industry, including declines in each and every one of the following indicators:

- <u>capacity utilization</u> dropped by more than six percent between 2013 and 2015;
- production dropped by more than 1,713,000 tons between 2014 and 2015;
- hours worked dropped by more than 1,000,000 between 2014 and 2015;
- wages paid dropped by more than \$50 million between 2014 and 2015;
- operating income dropped from 7.4 percent to 0.5 percent between 2014 and 2015;
- gross profit dropped by more than \$480 million between 2014 and 2015; and
- capital expenditures dropped by more than \$47 million between 2014 and 2015.8

The ITC also found, without public quantification, that the domestic CTLP industry saw its

<sup>&</sup>lt;sup>5</sup> *Id.* at C-4 (Table C-1).

<sup>&</sup>lt;sup>6</sup> Carbon and Alloy Steel Cut-to-Length Plate from Brazil, South Africa, and Turkey, USITC Inv. No. 731-TA 1319, 1326 & 1328 (Final), USITC Pub. 4664 (Jan. 2017) ("CTLP Determination"), at 26, 49 (finding injury from cumulated imports).

<sup>&</sup>lt;sup>7</sup> *Id.* at 34, IV-40—41 (Table IV-21).

<sup>8</sup> *Id.* at 42-44, VI-1–11.

research & development ("R&D") expenditures decline between 2013 and 2015.9

These recent ITC findings underscore the injury we are experiencing as a result of steel imports that threaten national security. Our utmost concern is the deleterious impact that unfairly traded imports are continuing to have on the domestic capacity utilization rate and investment levels. The industry's ability to supply steel for direct military applications requiring state-of-the art technology depends on sufficient returns in the rest of our business, such that we can continue making sufficient investment to improve our products. SSAB Americas has in the past made significant investments predicated on making higher quality steels for energy and defense applications. For example, we commissioned a \$300 million quench and temper operation in 2012 and recently invested over \$80 million in support projects with the newest technologies to develop, test and refine a variety of sophisticated, high strength steels for increasingly demanding applications. Yet we are increasingly unable to make such investments because of imports. In mid-2014, when the market was good, SSAB Americas developed a strategic plan to make a several hundred million dollar capital expenditure in Montpelier, Iowa. Unfortunately, that same year, the supply of imported CTLP and coil grew by 2.4 million tons, capturing more growth than domestic mills. SSAB Americas' investment project was shelved – along with the new jobs it would have created.

SSAB Americas is all too familiar with the limitations of AD/CVD orders, as our industry has had to petition for them over and over again. In 1997, the domestic industry obtained Suspension Agreements covering CTLP from Russia and Ukraine, as well as for CTLP from China that became an AD order in 2003. The ITC recently affirmed the necessity of

<sup>9</sup> *Id.* at 43-44.

retaining such trade relief in the <u>third</u> sunset review.<sup>10</sup> Despite the 1997 trade relief, the industry was soon forced to pursue trade relief against imports again – resulting in the 2000 issuance of AD/CVD orders on CTLP from Korea, India, and Indonesia that remain in effect (as well as those on CTLP from Italy and Japan that were eventually revoked by the ITC).<sup>11</sup> This subsequent round of trade relief did not shield the domestic industry from unfairly traded imports, leading to the AD/CVD orders covering CTLP from one dozen countries issued this year.<sup>12</sup>

The sheer number of countries for which CTLP AD/CVD orders were issued this year reveals a major limitation with the relief provided by such traditional trade remedies. Our most recent petitions included so many countries because importers invariably found alternate sources of unfairly traded CTLP. Notably, we had to obtain new orders on CTLP from Italy and Japan because the original orders had been revoked by the ITC years before. We also included countries already having orders to fix gaps in coverage; the major Korean CTLP producer Pohang Iron and Steel Company ("POSCO") was only recently covered after being excluded

<sup>&</sup>lt;sup>10</sup> Cut-to-Length Steel Plate from China, Russia, and Ukraine, USITC Inv. No. 731-TA 753, 754 & 758 (Third Review), USITC Pub. 4581 (Dec. 2015).

Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea, USITC Inv. No. 731-TA-388-91 & 731-TA-817-21 (Second Review), USITC Pub. 4296 (Dec. 2011).

Certain Carbon and Alloy Steel Cut-To Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders, 82 Fed. Reg. 24,086 (May 25, 2017); Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Countervailing Duty Order, 82 Fed. Reg. 14,346 (Mar. 20, 2017); Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China: Antidumping Duty Order, 82 Fed. Reg. 14,349 (Mar. 20, 2017); Certain Carbon and Alloy Steel Cut-to-Length Plate from Brazil, South Africa, and the Republic of Turkey: Antidumping Duty Orders, 82 Fed. Reg. 8911 (Feb. 1, 2017).

from the earlier orders.<sup>13</sup> We also had to enlarge the coverage because imported Chinese plate was repeatedly spiked with alloys as a means of circumvention.<sup>14</sup> Although the recent orders will help our industry, the rates were low for several of the major foreign exporters.<sup>15</sup> Moreover, CTLP importers are expected to find ways around the AD/CVD orders – as they have in the past.<sup>16</sup>

The massive glut of foreign steel puts us at such an extreme competitive disadvantage that we cannot rely on traditional trade remedies. We must go after the root cause of devastating import surges; government action is needed to reduce global excess capacity. This Section 232 investigation can do just that: address the problems that are <u>created</u> by subsidized foreign overcapacity, and that <u>remain</u> even after successful AD and CVD cases.

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See Certain Carbon and Alloy Steel Cut-To-Length Plate From the Republic of Korea: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination, 82 Fed. Reg. 16,341, 16,342, 16,344 (Apr. 4, 2017).

See Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China, 74 Fed. Reg. 40,565 (Aug. 12, 2009) ("Toyota Tsusho Circumvention Determination"); Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China, 76 Fed. Reg. 50,996 (Aug. 17, 2011) ("Wuyang Circumvention Determination"); Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China: Initiation of Circumvention Inquiry on Antidumping Duty Order, 81 Fed. Reg. 8173 (Feb. 18, 2016).

For example, Belgian CTLP producers and exporters except one have a 5.4% AD margin. See Certain Carbon and Alloy Steel Cut-To-Length Plate from Belgium: Final Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances, in Part, 82 Fed. Reg. 16,378, 16,379 (Apr. 4, 2017).

See Toyota Tsusho Circumvention Determination, 74 Fed. Reg. 40,565; Wuyang Circumvention Determination, 76 Fed. Reg. 50,996.

### III. THE SECTION 232 REGULATORY CRITERIA ESTABLISH THAT UNFAIRLY TRADED STEEL IMPORTS THREATEN TO IMPAIR NATIONAL SECURITY

Each regulatory criterion in 15 C.F.R. § 705.4 compels the Department's finding that unfairly traded steel imports threaten to impair national security, as set forth in turn below.

#### A. Quantity of steel or other circumstances related to the importation of steel

Subsidized and low-priced steel imports have recently entered the United States in alarming volumes, as a result of global overcapacity. For example, the ITC found that CTLP imports from all sources <u>more than doubled</u> – from 897,417 to 1,773,391 tons – between 2013 and 2014, and remained at nearly 1,500,000 tons in 2015.<sup>17</sup> This sustained surge threatens to impair national security by injuring the domestic steel industry in a manner that frustrates its ability to supply steel for critical U.S. industries including energy, agriculture, construction, and transportation, in addition to direct national defense requirements. The recently-issued AD/CVD orders on CTLP imports, while expected to benefit the domestic industry, will not by themselves provide sufficient trade relief.

B. <u>Domestic production and productive capacity needed for steel to meet projected national defense requirements</u>

Domestic steel production and productive capacity have substantially lessened in recent years because of steel imports resulting from global overcapacity. For example, the ITC found that low-priced CTLP imports caused the domestic industry's capacity utilization to drop by more than six percent between 2013 and 2015, and overall domestic CTLP production to drop by more than 1,713,000 tons between 2014 and 2015. The ITC further found that the average

<sup>17</sup> CTLP Determination, USITC Pub. 4664, at IV-10.

<sup>&</sup>lt;sup>18</sup> *Id.* at C-5 (Table C-1).

capacity quantity of the domestic CTLP industry dropped over 438,000 tons between 2013 and 2014, and stayed nearly flat in 2015.<sup>19</sup> The ability of the domestic steel industry to meet projected national defense requirements depends on the maintenance of sufficient production and productive capacity levels. Those levels being slashed as a result of recent steel imports demonstrates the threatened impairment of national security.

C. Existing and anticipated availability of human resources, products, raw materials, production equipment, and facilities to produce steel

The human resources and facilities needed to domestically produce steel have been adversely affected by steel imports resulting from global overcapacity. As the ITC found in its recent CTLP investigation: one domestic producer filed for bankruptcy in December 2016, while six others "reported shutdowns or curtailments in the production of CTL plate"; and the number of production and related workers ("PRW"), having the developed skills required by the steel industry, decreased by 232 between 2013 and 2014. SSAB Americas "reduced employee compensation based on production and shipments and reduced its workforce through attrition." More drastically, other domestic producers experienced layoffs and were forced to idle operations. Such recent downturns in the human resources and facilities needed to domestically produce steel – which cannot be readily brought back up to pre-existing levels because of the substantial training and start-up costs – threaten to impair national security.

20 *Id.* at 31.

<sup>&</sup>lt;sup>19</sup> *Id*.

<sup>21</sup> *Id.* at III-14 (Table III-11).

<sup>22</sup> *Id.* at III-14.

<sup>&</sup>lt;sup>23</sup> *Id*.

### D. Growth requirements of the steel industry to meet national defense requirements and/or requirements to assure such growth

Steel imports resulting from global overcapacity have retarded the growth of the steel industry. As the ITC recently found, the domestic CTLP industry's capital expenditures dropped by more than \$47 million between 2014 and 2015,<sup>24</sup> with R&D expenditures likewise declining between 2013 and 2015.<sup>25</sup> SSAB Americas has a proud history of investment but in 2014 was forced to shelve a planned major capital expenditure because of steel imports. The ability of the domestic steel industry to meet projected national defense requirements depends on maintaining sufficient growth. Those levels being slashed as a result of recent unfairly imported steel demonstrates the threatened impairment of national security.

#### E. The impact of foreign competition on the economic welfare of the steel industry

Foreign competition resulting from global steel overcapacity is injuring the domestic steel industry. The ITC not only recently made this finding with respect to imported CTLP,<sup>26</sup> but also for imported steel products including hot-rolled steel (which SSAB Americas also manufactures);<sup>27</sup> cold-rolled steel;<sup>28</sup> and corrosion-resistant steel.<sup>29</sup> An injured domestic steel industry is severely constrained in its ability to supply steel necessary for national security,

*Id.* at 42-44, VI-1–11.

<sup>25</sup> *Id.* at 43-44.

<sup>&</sup>lt;sup>26</sup> *Id.* at 49.

<sup>&</sup>lt;sup>27</sup> Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, Inv. Nos. 701-TA-545-47 & 731-TA-1291-97 (Final), USITC Pub. 4638 (Sept. 2016), at 52.

Certain Hot-Rolled Steel Flat Products from China and Japan, Inv. Nos. 701-TA-541 & 731-TA-1284, 1286 (Final), USITC Pub. 4619 (July 2016), at 40.

<sup>&</sup>lt;sup>29</sup> Certain Corrosion-Resistant Steel Flat Products from China, India, Italy, Korea, and Taiwan, Inv. Nos. 701-TA-534-37 & 731-TA-1274-78 (Final), USITC Pub. 4620 (July 2016), at 40.

whether directly for military applications or for other critical industries including energy, agricultural, construction, and transportation. The deleterious impact that dumped, subsidized, and circumvented imports are having on the domestic steel industry therefore threatens to impair national security.

F. The displacement of any domestic steel causing substantial unemployment, decrease in the revenues of government, loss of investment or specialized skills and productive capacity, or other serious effects

Domestic steel has been displaced by foreign steel imports resulting from global overcapacity, causing serious adverse effects including substantial unemployment and the loss of investment, specialized skills, and productive capacity. As the ITC recently found, low-priced and unfairly traded CTLP imports between 2013 and 2015 took an additional eight percent of the market away from the domestic industry.<sup>30</sup> As the ITC further found, such displacement of domestic steel caused the following serious effects.

- <u>loss of investment</u>: the domestic CTLP industry's capital expenditures dropped by more than \$47 million between 2014 and 2015,<sup>31</sup> with R&D expenditures likewise declining between 2013 and 2015.<sup>32</sup>
- <u>substantial unemployment/ loss of specialized skills</u>: skilled CTLP industry workers lost their employment through layoffs, attrition, shutdowns, and closures; the industry shed 232 PRWs between 2013 and 2014.<sup>33</sup>
- <u>loss of productive capacity</u>: the average capacity quantity of the domestic CTLP industry dropped over 438,000 tons between 2013 and 2014, and stayed nearly flat in 2015.<sup>34</sup>

<sup>30</sup> *CTLP Determination*, USITC Pub. 4664, at 34, IV-40—41 (Table IV-21).

<sup>31</sup> *Id.* at 42-44, VI-1–11.

<sup>32</sup> *Id.* at 43-44.

<sup>33</sup> *Id.* at III-14 (Table III-11).

<sup>&</sup>lt;sup>34</sup> *Id*.

Such serious effects caused by the displacement of domestic steel by foreign imports underscore their threat to impair national security.

G. Relevant factors that are causing or will cause a weakening of our national economy. Steel imports resulting from global overcapacity are weakening our national economy. The ITC recently found the domestic steel industry to be materially injured by reason of unfairly traded imports of steel products including, but not limited to, CTLP. Such injury impairs the domestic steel industry from employing skilled workers, undertaking critical investments, and maintaining the capacity utilization rate necessary to ensure national security. A weakened steel industry would be unable to manufacture the quantity or quality of steel products needed for direct military applications, as well as for those industries critical to national security such as energy, agricultural, construction, and transportation. Because the health of our economy is inextricably intertwined with our national security, such weakening of our national economy caused by unfairly traded steel imports threatens to impair national security.

## IV. SWEDEN AND FINLAND ARE MODEL TRADING PARTNERS AND SHOULD BE EXCLUDED FROM RESULTING IMPORT RESTRICTIONS

The relief afforded by this Section 232 investigation should be flexible enough to ensure that the program is targeted on those exporting countries that are facilitating and contributing to the global oversupply crisis being driven by China, while holding harmless those of our trading partners that – like the United States – are actively using their WTO-authorized trade remedy regimes to address the surges in dumped and subsidized steel imports into their own markets.

Steel imports from Sweden and Finland consist of high value specialty steel that is not available in the United States, with uses including high grade armor plate for direct military

applications. Moreover, these imports support actual employment in the United States because they are managed by SSAB Americas' commercial, marketing, and technology teams. In contrast to many import brokerage arrangements, SSAB teams actively manage <u>all</u> sales of steel products in the United States – whether domestically manufactured or imported. SSAB Americas similarly exports steel products made in the United States to Sweden, Finland, and Europe through a reciprocal arrangement with SSAB Europe for each corporate entity to manage the sales of products that are not available domestically.

Steel production and trading in Sweden and Finland are not subject to government interventionist policies. Imports from Sweden and Finland are consistent and relatively insignificant. Moreover, Sweden and Finland are partners in collective action (e.g., G20 forum) to address global excess capacity, and are United States' allies for defense cooperation.

Not all sources of imports are the same with respect to national security. Restrictive action taken as a result of the Section 232 investigation should differentiate between sources based on the threat posed to the United States and, therefore, exclude Sweden and Finland.

# V. QUOTAS ON ALL PRODUCTS IN HTSUS CHAPTERS 72 AND 73 FROM COUNTRIES THAT POSE A THREAT ARE NECESSARY TO ENSURE NATIONAL SECURITY

The relief afforded by this Section 232 investigation should not only strengthen the competitiveness of both SSAB Americas' customers and the entire steel supply chain, but further stimulate growth and investment throughout the United States. The Department should not grant relief on a basis that is limited to certain products from the offending countries. Such piecemeal relief would only engender creativity to avoid the remedy, as commonly seen with AD/CVD

orders.<sup>35</sup> For example, a remedy limited to China would incentivize the movement of Chinese steel to other countries such as Korea, Vietnam, and Turkey for further processing before exportation to the United States. Likewise, a remedy limited to flat products would incentivize the importation of steel tubular products processed abroad, reducing the demand for domestic steel for use in such products.

Product-specific relief would cause gaps in coverage. For example, SSAB Americas has recently seen an increase in imports of sheet pilings into the United States – a product not covered by the flat-rolled steel or CTLP AD/CVD orders but which is just a fabricated steel product classified under HTSUS subheading 7301.10. To ensure realization of the benefits afforded by this Section 232 investigation, the Department should recommend – and the President should authorize – trade relief in the form of quotas on all imported steel products covered by HTSUS Chapters 72 and 73.

#### VI. CONCLUSION

For the foregoing reasons, SSAB Americas respectfully requests that the Department find that unfairly traded steel is threatening to impair national security and recommend that the President authorize trade relief in the form of quotas covering all steel products in HTSUS Chapters 72 and 73 from the countries that pose a threat.

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See, e.g., Toyota Tsusho Circumvention Determination, 74 Fed. Reg. 40,565; Wuyang Circumvention Determination, 76 Fed. Reg. 50,996.

Please contact the undersigned should you have any questions regarding this submission.

Respectfully submitted,

/s/ Roger B. Schagrin\_

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