



Valeo North America, Inc.

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VIA ELECTRONIC MAIL ONLY TO: 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 N.W.
Room 1093
Washington, DC 20230

Re: Comments on Section 232 Investigation of Steel Imports

Dear Director Botwin:

I am writing to you on behalf of Valeo North America, Inc., a member of the Valeo Group ("Valeo"). Valeo is a global automotive supplier who works in partnership with automotive OEMs to produce innovative products and systems that contribute to the reduction of CO2 emissions and to the development of intuitive driving. In the United States, Valeo employs approximately 4,150 employees in manufacturing facilities, research and development centers, and administrative offices in Michigan, California, Indiana, Kentucky, Mississippi, Nevada, New Hampshire, Ohio, Oklahoma, Tennessee, Texas, and Virginia.

Valeo is a member of the Motor & Equipment Manufacturers Association and we endorse the comments being filed by MEMA in response to the Department of Commerce, Bureau of Industry and Security's request for public comments on Section 232 National Security Investigation of Imports of Steel. We are providing these additional public comments to request that if restrictions are placed on the importation of steel, the following products be excluded from the restrictions on steel.

Product for exclusion	AISI Code	Current Country Source	Explanation why imports are needed of this product
Structural Shapes, Fabricated	38	Canada	Foreign producers develop the product for Valeo
Strip Cold Rolled	37	Austria	Specific grade developed for our customer
Flat wire	48	Korea	No US Supply; foreign producers develop specialty steel for Valeo products
Flat wire	48	Belgium	No US Supply; foreign producers develop specialty steel for Valeo products
Flat wire	48	France	No US Supply; foreign producers develop specialty steel for Valeo products
Spring wire	48	Japan	No US Supply; foreign producers develop specialty steel for Valeo products

If such exclusions are not granted, and we are not able to obtain the steel material that we need to make our products for our customers, we feel that there could be several adverse effects on our US business. For example, if quotas are put in place in the short term, there is a potential that Valeo would not be able to procure the steel material and components necessary to build product for our customers. This could put at risk our assembly lines – and the assembly lines of our customers – and potentially cause great economic damage and even lead to the loss of US jobs.

Even if only economic remedies, such as higher duties or tariffs, were to be put on imports of the relevant steel products, the economic effect could potentially be devastating. The steel used by Valeo is specially developed to fit the exacting needs and specifications of Valeo and our automotive industry customers. We cannot merely “flip a switch” and change steel suppliers. In the automotive industry, the changing of a supplier requires a sophisticated and highly intensive development and validation process that can last for years. If such tariffs, or our eventual purchase from higher price US-based steel producers, lead our US plants to be uncompetitive with our global competitors, our customers will possibly choose to purchase from such competitors whose manufacturing locations may be located in lower cost economies, again potentially affecting US jobs. And even if Valeo was able to continue producing despite the impact of any such cost increases, we will need to pass this impact on to our customers who will in the end likely pass such increases (multiplied by the various suppliers who supply different components and systems to that customer) on to the end consumers, making automobile prices higher and less affordable for the average citizen.

As such, we are very concerned about the potential risks to Valeo manufacturing and jobs that could result from a blanket quota or tariff on all steel imports and we request that the above mentioned products be excluded from any restrictions that are imposed on steel imports.

Valeo appreciates your consideration of the comments set forth in this letter. Please contact me (alejandro.pardina@valeo.com) if you need any additional information about Valeo or the effects of a potential disruption of steel imports.

Sincerely,



Alejandro Pardina
Purchasing Director, North America

copy: Andy Smith – General Counsel, North & South America (andy.smith@valeo.com)