



**VEST INC.**

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May 26, 2017

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, D.C. 20230

**Re: Comments on Section 232 National Security Investigation of Imports of Steel**

Dear Mr. Botwin:

Vest Incorporated is pleased to provide comments in response to the Bureau of Industry and Security's April 26, 2017, request for comments on the Section 232 national security investigation of imports of steel.<sup>1</sup>

Specifically, we are asking that the results of your investigation do not place any limitations or tariffs on the import of semi-finished steel ("slabs"), which are critical to steel supply chains, particularly in the Western U.S.

Vest Incorporated is one of the largest producers of electric welded carbon steel tubing in the Western U.S. We manufacture welded steel tubing in our factory in Los Angeles, California while employing over 100 people.

We depend on California Steel Industries, Inc., (CSI), a steel producer headquartered in Fontana, California, to supply the steel sheet we need for our products. CSI is the largest steel mill in the West and is the largest user of the Port of Los Angeles by tonnage. CSI pioneered the slab converter model in response to shifts in the U.S. steel industry. As integrated mills shut down or reduced capacity over the past three decades, slab converter mills, such as CSI, invested in and restored jobs to shuttered U.S. mills, putting U.S. steelworkers back to work, reviving local communities, and providing stability to thousands of hard-working Americans and their families.

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<sup>1</sup> Notice request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel, 82 Fed. Reg. 19205 (April 26, 2017) (the "Notice").



Steel slabs are not available for purchase in the U.S., as multiple government and academic studies have found, but yet are the feedstock of an important innovative steel production model that has created jobs in the U.S. CSI imports slabs from friendly trading partners – primarily Japan, Mexico, and Brazil – NOT from China. The four largest U.S. slab converters and other slab importers employ more than 4,000 U.S. workers directly and, together with the indirect jobs in their U.S. steel manufacturing and supply chains and transportation, support over 35,000 American workers using standard steel industry job support metrics.

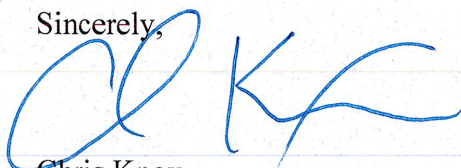
Slab imports are especially important to the Western U.S. steel sheet market. There are no integrated mills or electric arc furnace mills producing steel sheet products west of the Mississippi River valley. The two West Coast steel slab converter mills depend entirely upon purchased steel slab and must import almost all of their feedstock.

The importation of steel slabs should not be confused with the illegal dumping of finished steel products on the U.S. market. Vest Incorporated, along with CSI and the majority of the U.S. steel industry, fights against the flood of unfairly-priced imports of finished steel tubular products that often damage our business. We look forward to supporting the Administration's efforts to pursue strong enforcement of existing trade laws and trade remedies investigations to counter illegal dumping and subsidization from abroad.

If the Section 232 investigation results in prohibiting steel slab imports from any country or in the imposition of tariffs or quotas, it will be potentially devastating to this region of the U.S. steel industry and the estimated 35,000 U.S. jobs that steel slab converters support within their related supply chains. Vest Incorporated, along with hundreds of other U.S. steel manufacturers that depend on CSI, would either have to reduce business or find new suppliers in the East, which would dramatically raise prices for our company and our customers, putting us all at a competitive disadvantage. Western municipalities and other project sponsors would also lose out, as all federally-assisted projects in the West would be forced to pay higher material and transport costs as they would be limited to purchasing iron and steel products from far-away suppliers in the East.

Your evaluation will ultimately be based on the facts – and the facts show that the import of steel slab as a feedstock for “slab converter” mills like CSI is a natural consequence of changes in the U.S. steel industry that have made the industry stronger against global forces, not weaker. We ask that your investigation under Section 232 take these facts into full consideration and not result in findings that simply take jobs from some American companies and move them to other companies elsewhere in the U.S.

Sincerely,

A handwritten signature in blue ink, appearing to be 'CK' or similar, written over a horizontal line.

Chris Knox  
Vice President