Dear Secretary Ross and Director Botwin,

We, Villares Metals S.A., a Brazilian based specialty alloy and stainless steel long products manufacturer, are submitting this letter with respect to the Section 232 investigation on the effects of steel imports on United States national security currently pending at the Department of Commerce. We appreciate the opportunity to present our views as a supplier of special steels mainly for the United States automotive industry.

Villares Metals is a small, stable and respectful supplier to the United States. Villares Metals enjoys long lasting customer relations based on product quality and commitment to meet fluctuating demand. For over 70 years, Villares Metals has operated in the industry of steels and specialty alloys, and serves its customers all over the world.

Our pricing policy is reviewed annually by the Department of Commerce as our main products - stainless steel long products for automotive valve manufacturing - have been subject to an antidumping investigation. We recently were assigned a zero dumping margin in an annual review which confirms our compliant trading into the United States.

Villares Metals competes successfully on high quality, reliability and service. Global OEMs like Eaton, Federal Mogul, Hartzel and Del West are our United States customers.
Many important manufacturing industries rely on sufficient supply of high grade toolsteel. Villares Metals' tool steels are used in the aluminum extrusion industry, the die casting industry, the forging industry and in the plastic molding industry. Without high grade tool steels no manufacturing of industrial mass products is possible. Tool failures due to poor material make economic manufacturing impossible. Villares Metals enjoys high reputation for quality, reliability and service with its supplies of tool steel to the United States. There are insufficient domestic sources for high grade tool steels - specifically remelted tool steels - to meet the needs of the US toolmakers. In addition, Villares Metals' valve steels & alloys are used in the production of valves for combustion engines and are, therefore, an important supplier to the automotive industry. Villares Metals enjoys high reputation for quality, reliability and service with its supplies of valve steel & alloys to the United States, where there are insufficient domestic sources for valve steels to meet the needs of the US valvemakers.

Therefore United States special steel manufacturer purchase high grade tool steel and valve steels from Villares Metals. Any trade action to limit the supply of high grade tool steels, valve steels and alloys would therefore cause significant harm to the domestic tooling, valve and consequently automotive engine, industry.

We request that the Department consider excluding the following specialty steels imported from Brazil if restrictive measures are undertaken:

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<th>Product for exclusion</th>
<th>HTSUS</th>
<th>Comments</th>
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<tr>
<td>Remelted tool steel</td>
<td>7224.10, 7224.90, 7226.91, 7226.92, 7227.90, 7228.30, 7228.40, 7228.50, 7228.60</td>
<td>U.S. domestic supply only meets a small part of the market demand. Imports of these premium (not commodity) products needed for maintaining competitive manufacturing – otherwise the share of imported finished tools may increase further</td>
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<td>High grade/ high alloyed tool steels</td>
<td>7224.10, 7224.90, 7226.91, 7226.92, 7227.90, 7228.30, 7228.40, 7228.50, 7228.60</td>
<td>U.S. domestic supply only meets a small part of the market demand. Imports of these premium (not commodity) products needed for maintaining competitive manufacturing – otherwise the share of imported finished tools may increase further</td>
</tr>
<tr>
<td>High Speed Steel</td>
<td>7227.10, 7228.10, 7228.10, 7229.90, 7224.10, 7224.90, 7225.30, 7225.40, 7228.40, 7228.70</td>
<td>U.S. domestic supply only meets a small part of the market demand.</td>
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These products are complementary to United States manufacturers' focus and support manufacturing of components in the United States. With total annual supplies of about 15,000 metric tons, Villares Metals' deliveries into the United States are not a threat to the United States specialty steel industry. We serve a niche automotive market.

As a relatively small importer of non-commodity steel into the United States, any move to stop or limit imports of Villares Metals specialty steel would cause serious problems to our customers in the United States.

We would appreciate if the Department considers Villares Metals facts. In many way the products of Villares Metals are a solution to a solid United States manufacturing base and are therefore contributing to the national security needs.

If you have any questions relating to this matter, please feel free to contact Mr. Armin Andreas Wuzella, Villares Metals S.A.,Managing Director, Rua Alfredo Dumont
Respectfully submitted,

Sumaré, 30th of May 2017.

VILLA RES METALS S.A.

Artur Merengon da Cruz
Legal & Compliance Manager

Marcelo De Abreu Marinzek
Managing Director