Honorable Wilbur L. Ross  
Secretary of Commerce  

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  

Linz, 2017-05-30  

Re: Comments on Section 232 Investigation of Steel Imports - Sweden  

Dear Secretary Ross and Director Botwin,  

We, voestalpine AG (voestalpine), an Austrian-based multinational group, as well as our affiliates in the United States and abroad, are submitting these comments with respect to the Section 232 investigation on the effects of steel imports on U.S. national security currently pending at the Department of Commerce. We appreciate the opportunity to present our views as an exporter of highly engineered semi-finished and finished steel products to the United States, an importer U.S. made steel materials, and a significant investor and employer in the United States.  

voestalpine urges the Department exercise restraint and give careful consideration to the source and types of steel imports entering the U.S., and the level of investment and integration by foreign producers like voestalpine, before instituting broad-based restrictive measures. Our main mills manufacturing steel for global supply, including for deliveries into the United States, are located in Europe, one of them in Sweden. In particular, we respectfully request that Swedish origin steel, and specifically the types of products listed below, be considered for exclusion from any restrictive measures. Sweden has been a small, stable, and respectful participant in the U.S. steel market for decades without incident. Our steel products compete on the basis of high quality and high value. We do not threaten basic U.S. steel manufacturing capacity. We have invested heavily in U.S. manufacturing operations and have added value to critical industries.
Background on voestalpine and its Steel Operations

voestalpine (www.voestalpine.com) is a global steel and durable goods manufacturer with 50,000 employees worldwide. We serve the transportation and energy sectors, and have 49 manufacturing and service locations in the United States employing 2,200 people. With our top-quality products and system solutions based on steel and other metals, we are one of the leading partners to the automotive, railways, aerospace and consumer goods, as well as to the oil and gas industries. Worldwide, Americans enjoy the Group’s high-quality approach and sustainable business development as 14% of the voestalpine Group’s stock is currently owned by North American investors.

Over the last 5 years, voestalpine has embarked on a North America strategy to invest heavily in the United States for a variety of manufacturing activities. The most prominent recent example is our flagship investment in Corpus Christi, Texas. In October 2016, the voestalpine Group commissioned a $1 billion USD plant to convert iron ore into HBI (hot briquetted iron) for domestic steel production and for export to its plants in Europe. This HBI is then used to manufacture other steel products which are then exported to various countries, including the United States. Those imported steel products are, in turn, further manufactured in the United States in to a variety of steel, automotive and other products. Many of these products are critical to U.S. energy security. The voestalpine Group is a growing U.S. manufacturer, is employing U.S. citizens, contributes to the U.S. economy, and is supporting US national security and energy objectives.

voestalpine Special Steel / High Performance Metals

The Special Steel Division of voestalpine is a focused niche producer and has deep roots in the United States. The largest U.S. entity of the voestalpine Special Steel Division, Bohler-Uddeholm Corporation, is headquartered in Elgin, Illinois, recently celebrating its 90th anniversary in the United States. The Special Steel Division of voestalpine is well known coast to coast as a leading provider of highly technical, creative, top quality, and in many cases unique special steels that provide sustainable solutions to complex manufacturing problems. Additional services offered by many voestalpine Special Steel locations throughout the United States, e.g. heat treatment or coating, meet the United States customers’ needs and make voestalpine Special Steel a reliable partner who – by having also invested in niche activities – complements local providers’ portfolio.

The primary focus is the tool manufacturing industry for the automotive industry. voestalpine Special Steel provides tool, die and mold steels used in the manufacture of die cast engine components, injection molded door panels and headlights, hot stamped crash beams and structural components and heavy stamping dies used to make fenders and hoods. The unparalleled quality of tool steels sourced from Sweden distributed by Bohler-Uddeholm Corporation and several other affiliates in the United States are known industry wide as tooling materials that last longer before reaching the end of its lifetime cycle – saving our U.S. customer’s money and making them more competitive on a global stage. Many tools, dies and molds built in the United States utilize voestalpine tool steels, as specified by the U.S. automotive end-user. These end users depend on the consistent and top-quality materials
supplied by voestalpine to ensure their tools, dies and molds will run without breakdown, scrap parts or premature failure. These specifications are not drawn up because voestalpine tool steel might be cheaper; it is due to the quality that is relied upon by the end users of our materials to meet their financial objectives, at a premium price.

The tooling sector of the Special Steel Division of voestalpine is a valued and leading supply chain member of more industrial segments than automotive. The same reputation for quality, service and technical leadership exists in the consumer, medical, packaging and forging industry.

The Special Steel Division of voestalpine positively contributes to the U.S. economy in more ways than the quality products distributed. voestalpine Special Steel has heavily invested in the United States for over 90 years in first class distribution of and services on special steel. Currently 476 people working out of 19 locations across the U.S. enjoy full-time employment and depend on the supply of Swedish special steel to continue their employment. Again, we are investing in the U.S., not replacing U.S. jobs.

The Special Steel Division of voestalpine continuously invests in growth in the United States to support domestic industry. In the last 5 years more than USD 34 million dollars has been invested in the United States. Examples of such investments are automated storage systems in Elgin, IL; state of the art precision machining equipment in Southern California, 4 PVD coatings facilities across the United States, a highly engineered technical solution to improve the performance of tools being used to make critical parts in the U.S. These investments are an example of voestalpine’s commitment to growth and a secure future as a positive contributor to employment and the economy of the United States. To support this investment new locations have been opened in Houston, Dallas, Cleveland, Lansing and Walnut, California in the last 5 years. Last year, employees contributed payroll taxes of USD 6.9 million. The companies of the Special Steel Division of voestalpine paid employer, real estate, corporate and federal taxes of greater than USD 5.5 million dollars. Last year, imports from Sweden were 6,900 metric tons. These are very small amounts of imports but support U.S steel manufacturing jobs.

Many important industrial segments that could be considered as of critical national importance rely on voestalpine Special Steel for tool manufacturing from Sweden. Examples include the already mentioned automotive industry, the consumer goods industry, the medical, the forging and the packaging industry.

In many cases the production technology used to produce the special steel products distributed in the United States cannot be duplicated with domestic producers of special steels. Close to 45% of the voestalpine Special Steel Division materials distributed in the United States use special manufacturing technologies not available in the United States. 25% are made with a pressurized ESR technology that is simply not available in the United States. Approximately 10% of the materials distributed in the United States are made with a third generation Powder Metallurgy Production Process that does not exist in the United States. Approximately 8% of the materials distributed in the United States are made with a vacuum re-melting technology that is not available in sufficient quantities in the United States.
We request that the Department consider excluding the following special steels imported from Sweden if restrictive measures are undertaken:

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<tr>
<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,</td>
<td>U.S. domestic supply only meet 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>7225.30, 7225.40,</td>
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<td>7228.60, 7228.70</td>
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<tr>
<td>Powder Metallurgical</td>
<td>7224.10, 7224.90,</td>
<td>No U.S. domestic supply of third generation powder metallurgy products</td>
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<td>tool steel &amp; high</td>
<td>7225.30, 7225.40,</td>
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<td>speed steel</td>
<td>7226.91, 7226.92,</td>
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<tr>
<td>high alloyed toolsteels</td>
<td>7224.10, 7224.90,</td>
<td>U.S. domestic supply only meet 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>7225.30, 7225.40,</td>
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<tr>
<td>special stainless</td>
<td>7218.10, 7218.91,</td>
<td>voestalpine supplying patented products, products with improved material properties and products with approvals from global OEM's not available in the U.S. for tooling applications</td>
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<td>steel</td>
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<td>electroslag or</td>
<td>7222 19 00 01,</td>
<td>voestalpine supplying patented products, products with improved material properties and products with approvals from global OEM's not available in the U.S. for tooling applications</td>
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<td>vacuum arc remelted</td>
<td>7222 20 00 01,</td>
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<td>special stainless</td>
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<td>steels</td>
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These products support U.S. jobs in key U.S. manufacturing sectors. They do not replace critical U.S. steel production. voestalpine is investing in U.S manufacturing facilities with the help of these products.

In summary - the Special Steel Division of voestalpine is exactly the type of company that has been keeping America great for more than 90 years – providing well-paying jobs to American families; investing in and growing the U.S. economy; providing highly appreciated technological solutions to the manufacturing industry that make American companies globally competitive and provide tens of millions of dollars of tax revenue to the government. As a relatively small importer of steel into the United States, any move to stop or impair imports of Swedish special steel would cause only harm to the U.S. economy and U.S families.

**Final Notes**

We want the Department to know that voestalpine is respectful of our trading relationship with the United States and has invested heavily in the United States. Our modest imports of highly engineered steel products are not a threat to the U.S. steel industry but complement U.S. production, incorporate U.S. origin materials, and contribute significantly to employment in the United States. We request that the Department consider carefully Sweden and voestalpine's specific facts and contributions to the United Steel industry in its deliberations. In many ways voestalpine and its products contribute to U.S. national security and energy independence objectives. Any disruption to our supply chain could have serious consequences to other sectors of the U.S. economy and compromise our current and future investments in the U.S. Our flagship U.S. investment is the $1 billion HBI plant in Corpus Christi Texas. This plant supplies critical needs for both local U.S. steel producing customers, and voestalpine mills in Europe, where it is used to manufacture both high grade finished and unfinished steel products. Many of these products are then re-exported to the United States for further manufacturing as noted above. voestalpine supports U.S. investment and jobs in both the upstream and downstream steel markets, and in the energy industry. The jobs we create are real and important in states like Texas, Illinois, Alabama, Wyoming, Colorado, Kentucky, Indiana, Georgia, Wisconsin, Ohio, Pennsylvania, California, Washington, Virginia, New York, Massachusetts, Minnesota, Iowa, Michigan, Connecticut and Kansas.

We urge you and the Department to consider carefully the contributions and investments that voestalpine and its products make to the U.S. economy. voestalpine products are not a problem, but a solution to national security needs.

If you have any questions relating to this matter, please feel free to contact our counsel, Mr. Matthew Nolan, Arent Fox Fox LLP, Attorneys at Law, 1717 K Street, NW, Washington, DC 20006-5344, 202.857.6013 direct, 202.857.6395 fax, matthew.nolan@arentfox.com. Mr. Nolan would also be honored to meet with you and/or your staff in Washington D.C.
Respectfully submitted,

Linz, 30th of May 2017
voestalpine AG

Mr. Wolfgang Eder
CEO

Mr. Franz Rotter
Member of the Management Board
voestalpine Group in the USA

Overview and main activities
voestalpine Group in the USA

Facts

Locations: 49
Employees (BY 2015/16): 2,235 FTE
Investments last 5 years: > $1.2 billion
voestalpine Group in the USA
49 locations/2,235 employees
Main locations - Steel Division
voestalpine Texas LLC

Production Site for HBI
- Corpus Christi / TX

Main products
- Hot briquetted iron

Employees (2015/16): 236 FTE
Investments last 5 years: $1 billion

Top customers
- voestalpine / Austria
- AHMSA / Mexico
- NUCOR / USA
- Big River Steel / USA
- TYASA / Mexico
Main locations – High Performance Metals/Special Steel Division
Bohler-Uddeholm / Edro / Eifeler Coatings

Added Value Services Provider for Tool Steel and Special Materials
- Headquater: Elgin / Illinois +18 other locations

Main products
- Tool, die and mold steels
- High speed steels
- Special stainless
- High nickel alloys
- Edge wire
- Heat treatment
- Machining
- Coatings

Top customers
- Broad customer base with a focus on tool & die makers and cutting tool manufacturers
- National Oilwell Varco, Weatherford

Employees (2015/16): 476 FTE
Investments last 5 years: $34 million
Main locations - Metal Forming Division
voestalpine Automotive Components Cartersville

Production Site for Automotive Components
\[\text{Cartersville / GA}\]

Main products
Hot formed and cold stamped components and assemblies used in the automotive industry

Top customers
\[\text{Daimler, VW, Magna}\]

Employees (2015/16 Æ 2020/21): 80 Æ 450 FTE
Investments last 5 years: $80 million
Total investments until 2020/21: $120 million

voestalpine AG
6 | 5/30/2017 | voestalpine in the USA
Main locations - Metal Forming Division
voestalpine Roll Forming Corporation (RFC)

Production Site for Rollformed Products
- Shelbyville / KY
- Jeffersonville / IN

Main products
- Rollformed parts for Aviation, Construction Industry and Machine Building

Top customers
- Arconic (Alcoa)
- Amazon Robotics
- Steelcase

Employees (2015/16): 324 FTE
Main locations - Metal Forming Division
voestalpine Rotec Inc

Production Site for Precision Tube Components
β Lafayette / IN

Main products
Automotive passive safety parts such as seat belt pre-tensioners, airbag components and suspension system parts

Employees (2015/16): 128 FTE

Top customers
β Autoliv
β TRW
β Vibracoustics
Main locations - Metal Forming Division
voestalpine Sharon

Production Site for Rollformed Products
Sharon / PA

Main products
Rollformed parts for Construction Industry, White Goods and Logistic Solutions

Top customers
- Dematic
- Intelligrated
- ThyssenKrupp

Employees (2015/16): 42 FTE
Main locations - Metal Engineering Division
voestalpine Norttrak Inc.

Heavy Haul Turnouts & Services
- Cheyenne, WY
- Decatur, IL
- Birmingham, AL
- Pueblo, CO
- Newton, KS
- Chicago Heights, IL

Main products
- Railway switches, turnouts & track and rolling stock monitoring

Top Customers
- Union Pacific Railroad
- BNSF Railway
- Norfolk Southern
- Canadian National Railway

Employees (2015/16): 864 FTE
Investments last 5 years: 42 million $
Main locations - Metal Engineering Division
voestalpine Bohler Welding USA, Inc.

Production of medium and high-alloyed welding consumables
ß Sugar Land / TX

Main products
ß Welding consumables: Welding wires, welding electrodes, fluxes

Top customers
ß Airgas, Praxair
ß Gas and Supply
ß Midalloy, Forney
ß Covanta Energy, Eberspaecher North America

Employees (2015/16): 53 FTE
Metal Engineering Division
voestalpine Energy Tubulars

Seamless Steel Tubes for Oil & Gas
- Houston / TX

Main products
- Premium seamless OCTG (Oil Country Tubular Goods) casing & tubing, line pipe of high steel grades and with proprietary connections (threads)
- Green tubes

Top customers
- NOV/Grant Prideco
- U.S. distributors (B&L Pipeco, Premier Pipe, Sooner)

Partnered with Grant Prideco, a subsidiary of National Oilwell Varco (NOV)