

## United States Senate

WASHINGTON, DC 20510

August 23, 2018

The Honorable Wilbur Ross  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington, DC 20230

Dear Secretary Ross,

I write today to reiterate the concerns I raised in a letter dated April 26, 2018, about the economic harm caused by the section 232 trade restrictions on imported steel and aluminum and the Commerce Department's ongoing exclusion process.

The decision to impose taxes under the false pretext of national security has significantly diminished the ability of domestic manufacturers to provide affordable finished products to American consumers. For example, NLMK, which operates a Pennsylvania-based conversion mill, has spent over \$700,000 per day to comply with the section 232 tariffs. Combined with the impact of retaliatory tariffs on unrelated industries, imposing such massive costs on U.S. consumers and manufacturers threatens job losses in downstream industries and truncating the economic gains from last year's historic tax reform.

I remain concerned that the Department's exclusion process is inefficient and unnecessarily burdensome, resulting in the delay of timely determinations for American companies seeking financial relief. As the cases of NLMK and numerous other Pennsylvania manufacturers illustrate, months-long processing delays translate into millions of dollars of lost revenue and productivity. To date, the Department has issued a determination — either an approval or a denial — for just 2,900 out of the 37,400 petitions submitted by U.S. manufacturers and downstream users of steel and aluminum. I urge the Department to increase the pace at which it reviews section 232 exclusion petitions, as well as to take additional steps to streamline the process.

The Department should also establish a separate exclusion process for products impacted by the quotas instituted on Argentina, Brazil, and South Korea. These quotas, which could have a more severe economic impact than tariffs, threaten Pennsylvania manufacturers and contractors that have pre-existing contracts with steel producers in these countries. For example, Shell Chemical Appalachia is currently constructing a multi-billion dollar petrochemical facility in Beaver County, Pennsylvania. The company cannot import the required steel products due to the section 232 quotas. If this situation is not addressed in a timely manner, Shell may delay its construction plans and lay off hundreds of workers in the construction industry.

I also urge the Department to take into account the size and scope of steel and aluminum products imported from Canada, Mexico, and the European Union (EU). As part of a robust exclusion process, the Department should consider the critical role that Canadian, Mexican, and

EU-based producers play in the supply chain for American manufacturers, including those with production facilities in Pennsylvania. In addition to being some of our strongest military and economic allies, these countries supplied over 40 percent of steel imports to the United States by tonnage in 2017. Many of these imports are specialty steel and aluminum products that U.S. manufacturers cannot source domestically, in terms of either quality or quantity.

While several Pennsylvania companies have received a determination from the Commerce Department, thousands of petitions are still awaiting a decision. Specifically, the following firms are experiencing financial harm due to the section 232 taxes and have either filed an exclusion petition or have a supplier impacted by these tariffs and quotas. I ask that you give their exclusion requests full and fair consideration. Several of the firms listed below were included in my previous letter from nearly four months ago and have still not received a determination.

ABB Group  
Allegheny Technologies Incorporated  
Ameri-Source Specialty Products  
Apollo Metals Ltd.  
Ardagh Metal Packaging USA, Inc.  
Ball Corporation  
BWAY Corp.  
Can Corporation of America, Inc.  
Colonial Metal Products  
CP Industries  
Crown Cork and Seal  
Edro Specialty Steels, Inc.  
Forms & Surfaces  
Fres-co System USA, Inc.  
FS Elliott  
Gautier Specialty Metals  
Hadco Metal Trading, LLC  
Krupalu International, Inc.  
Jersey Shore Steel Company

MacLean-Fogg  
Meadville Forging Company  
NLMK  
Offshore Metals America, Inc.  
Pennsylvania Extruded Tube Company  
Pioneer Tool & Forge, Inc.  
PR Hoffman Machine Products  
Precision Metal Services, Inc.  
Real Trading, LLC  
Reynolds Services, Inc.  
Sandmeyer Steel Company  
Sandvik Materials Technology  
Shell Chemical Appalachia  
Silgan Containers  
Southwark Metal Manufacturing Co.  
United States Metal Powders, Inc./Ampal, Inc.  
Wirerope Works, Inc.  
Worthington Armstrong Venture

Thank you for your attention to this request. As the Administration continues to focus on deregulation and other pro-growth policies, it is vital that it remove counterproductive taxes on imported steel and aluminum so that U.S. manufacturers and producers can compete with foreign companies and provide well-paying jobs for American families. I stand by ready to assist in any way that I can.

Sincerely,



Pat Toomey  
U.S. Senator