

# **Nucor Corporation Objection to the Exclusion Request of California Steel Industries**

BIS-2018-3508 – 6376

Filed on: June 13, 2018

## **I. INTRODUCTION**

The Department of Commerce (“Commerce”) should reject the requests by California Steel Industries (“CSI”) to exempt U.S. imports of steel slab from Brazil, Japan and Taiwan from Section 232 tariffs. These slabs are classified under HTS Nos. 7207.12.0050 and 7224.90.0055. In total, CSI is requesting an exemption for approximately 30.2 million metric tons of imported slab. CSI states that it would roll the imported slab into hot-rolled sheet, cold-rolled sheet, and corrosion-resistant sheet at its rolling mill in Fontana, CA. CSI claims that it needs these exemptions because adequate supplies of steel slab are not readily available on commercially reasonable terms. There is no merit to these claims.

As an initial matter, Nucor notes that CSI has made a deliberate business decision to import steel slab, rather than producing steel in the United States. Steel was produced at CSI’s Fontana mill under previous ownership, but in the early 1990s, CSI sold the hot-end equipment to China. CSI has opted instead to rely on low-priced slab imports for its production needs. This business model is a major reason capacity to produce steel in the United States has declined, thereby threatening to impair the national security. It directly undermines U.S. steel production and should not be rewarded with the requested product exclusions.

Moreover, adequate supplies of steel slab are readily available from both domestic sources and from countries exempted from Section 232 tariffs, including Brazil. In addition, CSI has not demonstrated that these exemptions are necessary to protect U.S. national security. To the contrary, there is ample supply of the downstream products CSI produces in the United States. Granting CSI’s requests would also encourage the use of imported slab and discourage the creation of new steelmaking capacity in the United States, thereby directly undermining the purpose of Section 232 relief, as identified by the President. Granting the requests would provide CSI with an unfair competitive advantage, again undermining the purpose of the President’s action. For these reasons, CSI’s product exclusion requests should be denied.

## **II. THERE IS SUFFICIENT DOMESTIC SUPPLY OF STEEL SLAB AND SUBSTITUTE PRODUCTS**

CSI argues that there is a shortfall of slab production in the United States, such that it cannot procure the slab it needs from domestic sources. CSI further claims that it is unable to obtain slab in the necessary quantities and chemistries from the United States at “commercially viable” prices, as domestic producers have an incentive to use the slab that they produce to make downstream products, rather than selling it to competitors like CSI. Indeed, CSI claims that there is no viable commercial market for steel slab in the United States, and that it is difficult to obtain adequate supplies of slab on the West Coast. This is not correct. Nor is it true that Section 232 tariffs will negatively impact the availability of downstream products in the United States. In fact, the primary reason for CSI’s requests is to maximize profits, which is not a sufficient basis for granting a product exclusion request.

### **A. CSI Is Requesting an Exemption in Excess of Its Actual Needs**

CSI has requested exemptions of approximately 30.2 million tons of Brazilian, Japanese, and Taiwanese slab for processing at its mill in Fontana, California. Yet, CSI states that its hot-rolling capacity is only 3.0 million tons, and that it is operating at only 50 percent capacity. In 2017, the total volume of U.S. imports of steel slab into the Los Angeles Customs District, where

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CSI is located, was 1.2 million metric tons. It is clear, therefore, that CSI is requesting an exemption far greater than anything it can actually use, making it impossible for Commerce to accurately assess CSI's true requirements or to fully gauge the impact on the domestic steel industry of granting CSI's request.

### **B. There is Ample Supply of Steel Slab in the United States**

Domestic steel producers have and continue to offer steel slab for sale to re-rollers and processors like CSI. The American Iron and Steel Institute reports that, as recently as 2014, domestic steel producers sold over 1 million tons of semi-finished steel products to unrelated external customers for use in the production of hot- and cold-rolled sheet and strip.<sup>1</sup> In 2017, U.S. producers sold 427,493 tons of semi-finished steel for the same uses.<sup>2</sup>

This decline reflects the very problem that CSI's chosen business model has created and that the President's decision is meant to solve – the deterioration of U.S. hot-end capacity. Since 2013, the following blast furnaces or EAF mills have been idled or permanently shut down:

- AK Steel's blast furnace in Ashland, KY;
- ArcelorMittal's blast furnace at East Chicago, IL;
- U.S. Steel's blast furnaces in Granite City, IL and Fairfield AL;
- Republic Steel's EAF in Lorain, OH; and
- Evraz's EAF in Claymont, DE.

Collectively, these six mills alone represent approximately 10.6 million tons of hot end capacity that is no longer in operation.<sup>3</sup> Commerce's findings in its Section 232 report indicate that this is simply the continuation of a long-term deterioration in U.S. steelmaking capacity. These mills and associated facilities closed in large part because of competition from low-priced imports of semi-finished steel. This erosion of steelmaking capacity is precisely what Commerce found, and the President agreed, is threatening to impair the national security of the United States.<sup>4</sup>

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<sup>1</sup> See American Iron and Steel Institute, Shipments by Market Classification, 12 Months 2014, attached as **Exhibit 2**. These semi-finished products consisted primarily steel slab, but may have also included some steel ingots, which are used to make very thick plate.

<sup>2</sup> See American Iron and Steel Institute, Shipments by Market Classification, 12 Months 2017, attached as **Exhibit 3**.

<sup>3</sup> See American Iron and Steel Institute, Steel Plants of North America, available at [https://www.steel.org/-/media/doc/steel/steelplant\\_northamerica\\_aisi\\_version\\_june252013.ashx?la=en&hash=B6256F18D333C1341C6BF D63EE6C517B82AE67BE](https://www.steel.org/-/media/doc/steel/steelplant_northamerica_aisi_version_june252013.ashx?la=en&hash=B6256F18D333C1341C6BF D63EE6C517B82AE67BE).

<sup>4</sup> U.S. Dep't of Commerce, The Effect of Imports of Steel on the National Security (2018), [https://www.commerce.gov/sites/commerce.gov/files/the\\_effect\\_of\\_imports\\_of\\_steel\\_on\\_the\\_national\\_security\\_-\\_with\\_redactions\\_-\\_20180111.pdf](https://www.commerce.gov/sites/commerce.gov/files/the_effect_of_imports_of_steel_on_the_national_security_-_with_redactions_-_20180111.pdf) at 33 ("The Effect of Imports of Steel on the National Security").

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Significantly, U.S. Steel recently announced that it would be reopening its two shuttered blast furnaces in Granite City. It attributed its decision in part to the effect of the Section 232 duties, demonstrating the efficacy of those duties. Granite City has the capacity to produce 2.6 million tons of steel per year, and hot-rolling capacity of 2.8 million tons, so that the reopening of the two furnaces could significantly increase the amount of steel slab available in the United States.<sup>5</sup>

Even with these closures, domestic steel mills have sufficient capacity and commercial incentive to supply semi-finished steel products in the merchant market, *if* those sales could be made at a reasonable price. The U.S. steel industry currently has the capacity to produce approximately 77.2 million tons of steel slab. However, in 2017, the total production of products using slab, including hot- and cold-rolled steel, steel plate, tin plate, various forms of corrosion-resistant steel, and welded pipe, amounted to only 63.6 million tons.<sup>6</sup> This indicates that approximately 13.6 million tons of slab capacity are available for production and sale in the merchant market. In 2017, the United States imported 7.3 tons of steel slab products.<sup>7</sup> As such, the U.S. steel industry could have supplied 100 percent of 2017 domestic demand for steel slab, with millions of tons of capacity remaining.

CSI claims that U.S. producers will not sell slab to their competitors. This is demonstrably untrue. In fact, CSI admits that it purchases part of its slab requirements domestically. The AISI figures discussed above provide further evidence that, if reasonable prices are available, U.S. producers will increase production of steel slab specifically for resale to processors like CSI.<sup>8</sup> The reopening of U.S. Steel's Granite City mill in particular indicates that the supply of steel slab available on the commercial market could increase markedly. U.S. Steel has been active in the merchant market for steel slab in the past, so it is likely that at least some of this new production could be sold in that market.

The U.S. Department of Transportation addressed this very issue in response to a 2015 request by the Port of Los Angeles – on behalf of CSI – for a waiver of the Buy America requirements. The Transportation Department denied the request, finding that “there appears to be adequate capacity for the U.S. steel industry to meet a demand for semi-finished steel slab if the market price is adequate.”<sup>9</sup>

CSI claims that domestic slab is not available on the West Coast. Steel importers have been making similar claims for decades. The U.S. International Trade Commission (“ITC”) has repeatedly rejected such claims in the context of antidumping and countervailing duty

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<sup>5</sup> *United States Steel to Restart Second Granite City Works Blast Furnace*, United States Steel Corporation (June 5, 2018), attached as **Exhibit 1**.

<sup>6</sup> American Iron and Steel Institute, *Net Shipments of Steel Mill Products* (2017), attached as **Exhibit 4**.

<sup>7</sup> ITC DataWeb Import Statistics, available at <https://dataweb.usitc.gov/scripts/INTRO.asp>.

<sup>8</sup> Nucor does not sell slab, as the design of most of its plants limits its ability to offtake slab. However, it does sell very substantial amounts of steel billets, another semi-finished product, to third parties, including other producers of flat-rolled products.

<sup>9</sup> Letter from Walter Waidelich, Jr., Assoc. Adm'r for Infrastructure, U.S. Dep't of Transportation, to Gary Moore, Interim Exec. Dir. (Feb. 3, 2015) at 1, attached as **Exhibit 5**.

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investigations. As recently as 2016, the ITC rejected the notion that U.S. producers of hot-rolled steel could not service the West Coast, finding that nine U.S. producers sold hot-rolled steel to customers on the West Coast, and that transportation costs did not hinder the ability of U.S. producers to supply that part of the country.<sup>10</sup> This is true of slab as well.

Put simply, there is no need for imported semi-finished steel in the United States. Nucor, like other U.S. producers, has invested billions of dollars in hot-end capabilities to manufacture semi-finished products like slab to be used in making flat-rolled steel products such as plate and hot-rolled sheet. The only reason that the U.S. industry does not sell significant volumes of semi-finished flat products (*e.g.*, slab) is that imports of low-priced semis have caused market prices for slab in the United States to crash, preventing sales at prices that would generate adequate returns on investment.

### **C. Steel Slab Is Readily Available from Countries Exempt from 232 Tariffs**

Steel slab is widely traded internationally. CSI could also purchase slab from countries that are exempt from the 232 tariffs – indeed, it already does so. In 2017, U.S. imports of steel slab totaled 7.3 million tons. Of this, Brazil alone, which is exempted from the Section 232 tariffs, accounted for 3.7 million tons.<sup>11</sup> In 2017, imports of Brazilian slab into the Los Angeles Customs District totaled 768,026 metric tons.<sup>12</sup> All of these imports were presumably for CSI's use. Brazil has stated that, under a quota agreement with the United States, Brazilian steelmakers will be able to export 3.5 million tons of semi-finished steel products, including steel slab, to the United States per year. Brazilian slab will continue to be available to CSI in large quantities. CSI could procure the remainder of its requirements domestically, as contemplated by the President's Section 232 action.

### **D. There is Ample Supply of CSI's Downstream Products in the United States**

CSI uses imported steel slab to produce downstream flat-rolled products, including hot-rolled, cold-rolled, and galvanized sheet. The proper question therefore is whether denying CSI's request for an exemption could result in a shortage of these downstream products in the United States. CSI has not even claimed that it would. In fact, all of these products are widely available in the commercial market throughout the United States.

CSI's argument is not that denial of its requests would result in shortages of downstream products in the United States, but only that CSI would make fewer profits. If accepted, it would turn the rationale underlying the President's decision – to stimulate U.S. steel production – on its head. CSI has selected a business model of importing slab and rolling it in the United States, where it is sold in competition with steel products produced in the United States. The Section 232 duties

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<sup>10</sup> *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297, USITC Pub. 4638 (Sept. 2016) (Final) at 44-45.

<sup>11</sup> ITC DataWeb Import Statistics, available at <https://dataweb.usitc.gov/scripts/INTRO.asp>. The relevant HTS numbers are 7207.12.0010; 7207.12.0050; 7207.20.0025; 7207.20.0045; 7224.90.0045 and 7224.90.0055.

<sup>12</sup> ITC DataWeb Import Statistics, attached as **Exhibit 7**.

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could increase the cost of imports of slab, potentially making CSI less profitable. This business model is as harmful to the domestic steel industry as direct imports of finished steel products. As Commerce highlighted in its report, the United States has lost 25 percent of its blast furnace capacity and four EAF facilities since 2000.<sup>13</sup> The “hot end” of the steel making process, including blast furnace and EAF production, is where steel is actually made. The production of steel, as opposed to rolling slab, accounts for approximately 90 percent of the total cost of the production of steel products. The hot end is where the majority of value added is imparted, and the majority of steelmaking labor is concentrated. Imports that undermine the hot end of U.S. steel production undermine the entire production chain that relies on steel that is melted and poured in the United States.

Granting the exemption would give CSI the best of both worlds. CSI states that the Section 232 duties will lessen competition from foreign sources of its downstream products, so that if it can continue to import slab without imposition of the Section 232 duties, it can increase production. CSI is in fact arguing that it would benefit from higher prices for the end products in the United States that may come about as a consequence of the Section 232 duties, while continuing to be able to import low-priced slab without the duties. This would effectively *reward* CSI for procuring steel slab from outside the United States.

An import tariff is not an import ban. Nothing will prevent CSI from importing slab if needed. In fact, as noted above, the majority of CSI’s slab imports apparently come from Brazil, which is not subject to the Section 232 tariffs. Imposition of the Section 232 duties on CSI’s remaining imports will simply ensure that CSI cannot import slab at prices that directly undermine U.S. steel production, from the slab itself through the downstream products made from that slab, which Commerce has emphasized is a priority of the policy underlying the President’s decision. That imports may be more expensive is not sufficient justification for an exclusion under Commerce’s interim rule.

CSI has alternatives to importing slab. The most productive long-term alternative would be to invest in new melt capacity in the United States. Recent investments by companies like JSW and Big River demonstrate the commercial viability of new investments in the hot end. JSW is a near-perfect analog to CSI. Like CSI, JSW has relied on imported slab to supply its plate and pipe operations in the United States. JSW has decided, though, to install an electric arc furnace at its mill in Texas, precisely so it can supply its needs from its own steel production.<sup>14</sup> CSI could do exactly what the President’s proclamation contemplates and invest in new production facilities in the United States.

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<sup>13</sup> The Effect of Imports of Steel on the National Security at 33.

<sup>14</sup> See Dom Yanchunas, *JSW to add hot end to Texas mill*, American Metal Market (Mar. 08, 2017), attached as **Exhibit 6**.

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**III. GRANTING CSI’S REQUESTS WOULD UNDERMINE THE PRIMARY PURPOSE OF THE PRESIDENT’S ACTION UNDER SECTION 232**

Granting CSI’s exclusion requests would be directly contrary to the President’s clearly articulated goals of the Section 232 tariffs:

This relief will help our domestic steel industry to revive idled facilities, open closed mills, preserve necessary skills by hiring new steel workers, and maintain or increase production, which will reduce our Nation’s need to rely on foreign producers for steel and ensure that domestic producers can continue to supply all the steel necessary for critical industries and national defense.

In its 232 Report to the President, Commerce found that imports of semi-finished steel, including steel slab, contributed to rising levels of import penetration, and a consequent loss of domestic production capacity.<sup>15</sup> The ability to supply adequate quantities of steel slab for rolling into downstream products is a direct function of the U.S. industry’s ability to maintain a complete production chain, beginning with the melting and pouring of steel. As with other steel products, U.S. imports of slab have undermined the viability of the U.S. industry’s hot end, leading to the closure of millions of tons of capacity. Indeed, the impact of imports is particularly acute at the hot end of the production chain. This portion of the process accounts for up to 90 percent of the cost of the finished product, and approximately two-thirds of total steel employment. It also accounts for the largest share of investment in a new steel mill.

The use of imported slab negatively impacts the entire domestic production chain, as a distorted input cost also distorts the price of every subsequent downstream product. Steel slab that is melted and poured abroad and shipped to the United States is priced so low that, in many cases, it is less expensive than Nucor’s cost of production. This makes it very difficult to justify investments in new U.S. steelmaking capacity. Nucor would be investing even more in its production of semi-finished steel if not for low-priced imports that have overwhelmed this market and have precluded a reasonable return on investment. Section 232 relief addresses this very issue.

The availability of low-priced imports of semi-finished steel has given certain U.S. producers of downstream steel products, including CSI, the incentive to adopt a business model specifically to take advantage of low prices for semi-finished steel imports. CSI states explicitly that it has chosen a business model that relies on inputs from affiliated suppliers outside the United States. Granting CSI’s exemption request would actually reward it for using imports instead of slab produced in the United States.

The President’s objective under Section 232 is to ensure the viability of U.S. steelmaking capacity by creating conditions where the domestic industry can profitably make critical investments in steel production. It does not matter whether companies like CSI purchase steel slab from other U.S. mills or expand their operations to make their own steel in the United States. The focus of the President’s action is to improve the health of the domestic industry as a whole – and that health includes the maintenance of adequate levels of steelmaking capacity, and with it the

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<sup>15</sup> The Effect of Imports of Steel on the National Security at 29.

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ability to supply the U.S. market with the steel slab required. Section 232 tariffs on steel slab helps satisfy this critical objective.

### **IV. CONCLUSION**

Granting CSI's product exclusion requests would directly undermine the President's objective in imposing Section 232 tariffs – to enable the domestic industry to reopen idled facilities and increase production. Domestic steel producers are ready and willing to supply the slab required by CSI at commercially reasonable prices as well as the downstream products produced from that slab. Moreover, imports from countries likely to be exempted from the Section 232 duties, especially Brazil, would provide an additional source of supply for CSI. Lastly, there are no national security grounds for granting CSI's requests. As a result, and consistent with the purpose of Section 232 relief, Commerce should deny CSI's requests for continued access to massive volumes of imported steel slab at unduly low prices and at the direct expense of U.S. steel production.



## United States Steel to Restart Second Granite City Works Blast Furnace, Comments on 2018 Guidance

*June 05, 2018 16:53 ET* | **Source:** United States Steel Corporation

PITTSBURGH, June 05, 2018 (GLOBE NEWSWIRE) -- United States Steel Corporation (NYSE:X) announced today it will restart the second of two blast furnaces ("A" blast furnace) at its Granite City Works, an integrated steelmaking plant in Granite City, Ill. The restart of the "A" blast furnace will support increased demand for steel manufactured in the United States, while allowing the Company to continue to support customers during planned asset revitalization efforts.

"We are excited to announce that after the restart of the "A" blast furnace on or around October 1, all of the steelmaking operations at Granite City will be back on line, helping us meet an increased demand for American-made steel that has only grown since our March announcement," said U. S. Steel President and Chief Executive Officer David B. Burritt. "After careful consideration of market conditions and customer demand, including the impact of Section 232, the restart of the two blast furnaces at Granite City Works will allow us to serve our customers' growing demand for high quality products melted and poured in the United States."

The Company will hire around 300 new employees for the restart of blast furnace "A" that will support increased shipments beginning in the fourth quarter. In March, U. S. Steel announced the restart of Granite City Works' blast furnace "B" and steelmaking operations that brought back 500 positions, filled by new and returning employees. The restart of blast furnace "B" is in progress.

"Our restart efforts would not be possible without our talented team at Granite City Works. Thanks to their passion and resolve, we are on track for a successful and safe restart of blast furnace 'B,' and the forthcoming restart of 'A' will be no different," Burritt said. "We appreciate and thank the United Steelworkers for their continued cooperation and assistance in the restart process. Together, we are strengthening American-made steel."

The Company is now guiding full-year EBITDA to at or near the high end of the previously announced range of \$1.7 - \$1.8 billion and is reiterating second quarter EBITDA guidance of approximately \$400 million.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**



## Exhibit 1

This release contains information that may constitute “forward-looking statements” within the meaning of Section 27 of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “will” and similar expressions or by using future dates in connection with any discussion of, among other things, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that the Company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to the risks and uncertainties described in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017, and those described from time to time in our future reports filed with the Securities and Exchange Commission. References to “we,” “us,” “our,” the “Company,” and “U. S. Steel,” refer to United States Steel Corporation and its consolidated subsidiaries.

### CONTACTS:

#### Media

Meghan Cox

Manager

Corporate Communications

T - (412) 433-6777

E - mmcox@uss.com

#### Investors/Analysts

Dan Lesnak

General Manager

Investor Relations

T - (412) 433-1184

E - dtlesnak@uss.com

## Exhibit 2

American Iron and Steel Institute  
Shipments By Market Classification - All Grade  
AISI 16 12 months 2014

	Semi Finished	Wire Rods	Structural Shapes	Steel Piling	Plates Cut Len.	Plates in Coils	Plates Stainless	Rails & Rail Acc.	Bars - Hot Rol.	Bars - Rebar	Bars - Cold Rol.	Tool Steel
<b>Steel for Converting and Processing</b>	-	-	-	-	-	-	-	-	-	-	-	-
010 WIRE AND WIRE PRODUCTS	-	493,417	-	-	-	-	-	-	-	-	13	-
020 HOT & COLD ROLLED SHEETS & STRIP	1,057,835	58	-	-	-	841	-	-	-	-	461	-
025 SHEET & STRIP for Painting & Coating	5,282	-	-	-	-	1,290	-	-	-	-	-	-
030 PIPE AND TUBES	90,223	-	-	-	91,608	1,266,882	5,538	-	-	-	240	-
040 COLD FINISHED BARS	910	-	-	-	-	-	-	-	265,544	-	-	-
050 ALL OTHER STEEL PRODUCTS & STEEL CASTINGS	91,077	3	-	-	64,023	-	-	-	920	291	60	-
060 RESALE SHIPMENTS	300	-	62,452	-	5,983	-	13	-	6,765	-	-	-
068 LESS SHIPMENTS TO REPORTING COMPANIES	(647,148)	(61,046)	(62,339)	-	(16,104)	(189,670)	-	-	(105,611)	(291)	-	-
<b>Subtotal</b>	<b>598,479</b>	<b>432,432</b>	<b>113</b>	<b>-</b>	<b>145,510</b>	<b>1,079,343</b>	<b>5,551</b>	<b>-</b>	<b>167,618</b>	<b>-</b>	<b>774</b>	<b>-</b>
070 FORGINGS (NOT ELSEWHERE CLASSIFIED)	89,734	-	1,257	-	38	-	-	-	45,865	-	1,686	-
080 INDUSTRIAL FASTENERS	-	660	-	-	115	-	4	-	1,688	-	29,572	-
140 STEEL SERVICE CENTERS & DISTRIBUTORS	11,501	564,598	-	-	2,927,371	1,114,215	140,917	53,319	2,230,546	-	346,397	-
<b>Construction and Contractors Products</b>	-	-	-	-	-	-	-	-	-	-	-	-
183 METAL BUILDING SYSTEMS	-	-	-	-	-	4,698	-	-	-	-	-	-
185 BRIDGE AND HIGHWAY CONSTRUCTION	-	-	-	-	155,442	-	-	-	-	-	-	-
187 GENERAL CONSTRUCTION	10	431,269	5,309,716	-	1,288,270	34,632	424	4,325	1,949,609	7,179,972	-	-
196 CULVERT AND CONCRETE PIPES	-	-	-	-	-	339	-	-	-	-	-	-
270 CENTRAL AIR CONDITIONING/HEATING/COOLING	-	-	-	-	486	-	-	-	-	-	134	-
290 HARDWARE AND MISCELLANEOUS BUILDING	-	26	-	-	-	-	-	-	-	-	7	-
300 PLUMBING EQUIPMENT	-	-	-	-	-	-	5	-	-	-	170	-
322 RAIN GOODS, ROOFING & SIDING	-	-	-	-	-	-	-	-	-	-	-	-
325 FRAMING AND RELATED PRODUCTS	-	-	-	-	-	495	-	-	42	-	9	-
326 DOORS AND WINDOWS	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>10</b>	<b>431,295</b>	<b>5,309,716</b>	<b>-</b>	<b>1,444,198</b>	<b>40,364</b>	<b>429</b>	<b>4,325</b>	<b>1,949,651</b>	<b>7,179,972</b>	<b>326</b>	<b>-</b>
<b>Automotive</b>	-	-	-	-	-	-	-	-	-	-	-	-
330 VEHICLES, PARTS & ACCESSORIES-ASSEMBLERS	-	78,054	-	-	-	95,447	-	-	761,634	-	394,747	-
340 TRAILERS, ALL TYPES	-	-	-	-	102,595	99	5,685	-	-	-	13	-
350 PARTS & ACCESSORIES-INDEPENDENT SUPPLIER	279	39,246	-	-	17,353	48	221	-	16,165	-	1,999	-
360 INDEPENDENT FORGERS	11,648	1,964	-	-	2,447	-	-	-	160,092	-	2,405	-
<b>Subtotal</b>	<b>11,927</b>	<b>119,274</b>	<b>-</b>	<b>-</b>	<b>122,395</b>	<b>95,594</b>	<b>5,906</b>	<b>-</b>	<b>937,891</b>	<b>-</b>	<b>399,164</b>	<b>-</b>
<b>Rail Transportation</b>	-	-	-	-	-	-	-	-	-	-	-	-
370 RAILROAD RAILS, TRACKWORK & EQUIPMENT	233	-	2,171	-	-	-	-	1,024,681	-	-	-	-
390 FREIGHT CARS	39,616	-	-	-	249,456	-	5,761	-	-	-	-	-
395 PASSENGER CARS, LOCOMOTIVES & RAPID TRANSIT	180,933	-	-	-	83,044	-	-	41	144	-	-	-
<b>Subtotal</b>	<b>220,782</b>	<b>-</b>	<b>2,171</b>	<b>-</b>	<b>332,500</b>	<b>-</b>	<b>5,761</b>	<b>1,024,722</b>	<b>144</b>	<b>-</b>	<b>-</b>	<b>-</b>
450 SHIPBUILDING & MARINE EQUIPMENT	6	-	-	-	126,926	-	1	-	-	-	-	-
482 AIRCRAFT AND AEROSPACE	191	-	-	-	2,165	-	1,090	-	2,178	-	149	-
<b>Oil and Gas Industry</b>	-	-	-	-	-	-	-	-	-	-	-	-
493 DRILLING AND TRANSPORTATION	-	-	-	-	16,355	-	189	-	129,700	-	6,860	-
494 STORAGE TANKS	-	-	-	-	9,734	313	405	-	-	-	-	-
495 OIL, GAS & CHEMICAL PROCESS VESSELS	-	-	-	-	16,908	-	2,175	-	-	-	3	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,997</b>	<b>313</b>	<b>2,769</b>	<b>-</b>	<b>129,700</b>	<b>-</b>	<b>6,863</b>	<b>-</b>

# Exhibit 3

## American Iron and Steel Institute Shipments By Market Classification - All Grade AIS16 12 months 2017

	Semi Finished	Wire Rods	Structural Shapes	Steel Piling	Plates Cut Len.	Plates in Coils	Plates Stainless	Rails & Rail Acc.	Bars - Hot Rol.	Bars - Rebar	Bars - Cold Rol.	Tool Steel
<b>Steel for Converting and Processing</b>												
010 WIRE AND WIRE PRODUCTS	-	261,769	-	-	-	-	-	-	-	-	-	-
020 HOT & COLD ROLLED SHEETS & STRIP	427,493	-	-	-	1,026	-	-	-	-	-	-	-
025 SHEET & STRIP for Painting & Coating	130,310	-	-	-	-	61,807	-	-	-	-	-	-
030 PIPE AND TUBES	299	-	-	-	143,593	536,717	-	-	-	-	-	-
040 COLD FINISHED BARS	-	-	-	-	-	-	-	-	66,171	-	-	-
050 ALL OTHER STEEL PRODUCTS & STEEL CASTINGS	25,421	-	-	-	7,255	-	-	-	2,503	-	-	-
060 RESALE SHIPMENTS	22,369	-	65,183	-	536	-	-	785	-	717	-	-
068 LESS SHIPMENTS TO REPORTING COMPANIES	(498,808)	(69,421)	(65,183)	-	(9,222)	(107,704)	-	(785)	(16,348)	(717)	-	-
<b>Subtotal</b>	<b>107,084</b>	<b>192,348</b>	-	-	<b>143,168</b>	<b>490,820</b>	-	-	<b>52,326</b>	-	-	-
070 FORGINGS (NOT ELSEWHERE CLASSIFIED)	-	-	-	-	-	-	-	-	58,892	-	816	-
080 INDUSTRIAL FASTENERS	-	-	-	-	-	-	-	-	-	-	22,742	-
140 STEEL SERVICE CENTERS & DISTRIBUTORS	6,005	629,224	570	-	2,658,837	765,564	63,719	1,181	1,696,298	-	187,146	-
<b>Construction and Contractors Products</b>												
183 METAL BUILDING SYSTEMS	-	-	-	-	773	1,140	-	-	-	-	-	-
185 BRIDGE AND HIGHWAY CONSTRUCTION	-	-	-	-	71,995	-	-	-	-	-	-	-
187 GENERAL CONSTRUCTION	-	357,794	5,461,837	-	1,080,740	825	36,174	-	1,217,995	6,657,793	-	-
196 CULVERT AND CONCRETE PIPES	-	-	-	-	-	-	-	-	-	-	-	-
270 CENTRAL AIR CONDITIONING, HEATING, COOLING	-	-	-	-	-	-	-	-	-	-	-	-
290 HARDWARE AND MISCELLANEOUS BUILDING	-	-	-	-	17	-	-	-	-	-	-	-
300 PLUMBING EQUIPMENT	-	-	-	-	327	-	-	-	-	-	-	-
322 RAIN GOODS, ROOFING & SIDING	-	-	-	-	-	-	-	-	-	-	-	-
325 FRAMING AND RELATED PRODUCTS	-	-	-	-	-	417	-	-	-	-	-	-
326 DOORS AND WINDOWS	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>357,794</b>	<b>5,461,837</b>	-	<b>1,153,852</b>	<b>2,382</b>	<b>36,174</b>	-	<b>1,217,995</b>	<b>6,657,793</b>	-	-
<b>Automotive</b>												
330 VEHICLES, PARTS & ACCESSORIES-ASSEMBLERS	3,786	117,323	-	-	34,812	217,268	-	-	1,070,591	-	290,986	-
340 TRAILERS, ALL TYPES	-	-	95,696	-	52,797	203	-	-	242,132	-	-	-
350 PARTS & ACCESSORIES-INDEPENDENT SUPPLIER	738	85,025	-	-	-	147	-	-	14,882	-	2,323	-
360 INDEPENDENT FORGERS	7,667	-	-	-	-	-	-	-	191,058	-	5,200	-
<b>Subtotal</b>	<b>12,191</b>	<b>202,348</b>	<b>95,696</b>	-	<b>87,609</b>	<b>217,618</b>	-	-	<b>1,518,663</b>	-	<b>298,509</b>	-
<b>Rail Transportation</b>												
370 RAILROAD RAILS, TRACKWORK & EQUIPMENT	-	-	146	-	-	-	-	871,021	-	-	-	-
390 FREIGHT CARS	44,658	-	-	-	155,763	9,000	-	-	-	-	-	-
395 PASSENGER CARS, LOCOMOTIVES & RAPID TRANSIT	150,000	-	-	-	309	-	-	7,434	336	-	-	-
<b>Subtotal</b>	<b>194,658</b>	-	<b>146</b>	-	<b>156,072</b>	<b>9,000</b>	-	<b>878,455</b>	<b>336</b>	-	-	-
450 SHIPBUILDING & MARINE EQUIPMENT	138	-	-	-	92,680	-	-	-	-	-	-	-
482 AIRCRAFT AND AEROSPACE	37,409	-	-	-	2,137	-	-	-	1,696	-	278	-
<b>Oil and Gas Industry</b>												
493 DRILLING AND TRANSPORTATION	208,253	-	-	-	44,216	359	-	-	35,949	-	4,181	-
494 STORAGE TANKS	-	-	-	-	10,035	5,425	-	-	-	-	-	-
495 OIL, GAS & CHEMICAL PROCESS VESSELS	-	-	-	-	19,257	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>208,253</b>	-	-	-	<b>73,508</b>	<b>5,784</b>	-	-	<b>35,949</b>	-	<b>4,181</b>	-

# Exhibit 4

American Iron & Steel Institute  
25 Massachusetts Avenue, NW Suite 800  
Washington, D.C. 20001

## NET SHIPMENTS OF STEEL MILL PRODUCTS ALL GRADES INCLUDING CARBON, ALLOY AND STAINLESS NET TONS

AI S 10

December 2017

Products	CODE	CURRENT MONTH				PERCENT		YEAR-TO-DATE				PERCENT		PERCENT CHANGE
		CARBON	ALLOY	STAINLESS	TOTAL	2017	2016	CARBON	ALLOY	STAINLESS	TOTAL	2017	2016	
Ingot s and Steel for Castings	1A	13,271	8,520		21,791	0.3%	0.3%	165,671	107,970		273,641	0.3%	0.3%	11.1%
Blooms, Slabs, Billets	1B	42,149	5,888	543	48,580	0.7%	0.4%	410,765	37,202	2,963	450,930	0.5%	0.3%	94.2%
<b>Total Semi-Finished</b>		55,420	14,408	543	70,371	1.0%	0.7%	576,436	145,172	2,963	724,571	0.8%	0.6%	51.4%
Wire Rods	3	181,452		3,054	184,506	2.5%	2.3%	2,074,395		43,787	2,118,182	2.3%	2.0%	20.5%
Structural Shapes(3" & over)	4**	494,024			494,024	6.7%	7.5%	5,990,303			5,990,303	6.6%	7.3%	-4.9%
Steel Piling	5					0.0%	0.0%					0.0%	0.0%	#DIV/0!
Plates - Cut Lengths	6A	447,798	37,256	11,331	496,385	6.8%	7.2%	5,459,104	504,496	150,207	6,113,807	6.7%	6.9%	1.8%
Plates - In Coils	6B	212,236		21,065	233,301	3.2%	2.1%	2,077,677		254,343	2,332,020	2.6%	2.1%	25.8%
<b>Total Shapes and Plates</b>		1,154,058	37,256	32,396	1,223,710	16.7%	16.9%	13,527,084	504,496	404,550	14,436,130	15.9%	16.4%	1.9%
Rails-Standard (over 60 lb)	7	61,922			61,922	0.8%	0.8%	785,448			785,448	0.9%	0.8%	8.1%
-All Other	8					0.0%	0.0%					0.0%	0.0%	
Railroad Accessories	9	26,867			26,867	0.4%	0.3%	308,722			308,722	0.3%	0.2%	45.8%
<b>Total Rails and Accessories</b>		88,789			88,789	1.2%	1.1%	1,094,170			1,094,170	1.2%	1.1%	16.6%
Bars-Hot Rolled	14	262,350	61,324	3,997	327,671	4.5%	4.6%	3,210,884	783,248	55,958	4,050,090	4.5%	4.8%	-1.6%
-Bar-Size Light Shapes	14A	154,934			154,934	2.1%	2.9%	2,000,784			2,000,784	2.2%	2.3%	-1.1%
-Reinforcing	15	627,934			627,934	8.6%	8.0%	7,042,518			7,042,518	7.7%	7.7%	6.1%
-Cold Finished	16	60,750	19,899	3,069	83,718	1.1%	1.1%	548,333	262,023	50,929	861,285	0.9%	1.1%	-12.6%
<b>Total Bars</b>		1,105,968	81,223	7,066	1,194,257	16.3%	16.6%	12,802,519	1,045,271	106,887	13,954,677	15.4%	15.9%	1.4%
<b>Tool Steel</b>	17					0.0%	0.0%					0.0%	0.0%	#DIV/0!
Standard Pipe	18**	51,849			51,849	0.7%	0.5%	627,758			627,758	0.7%	0.5%	52.0%
Oil Country Goods	19	66,960	70,421		137,381	1.9%	1.9%	860,815	1,033,672		1,894,487	2.1%	1.4%	62.0%
Line Pipe	20**	42,588			42,588	0.6%	0.6%	550,494			550,494	0.6%	0.6%	13.1%
Mechanical Tubing	21A	33,496	12,179		45,675	0.6%	0.5%	399,547	141,429		540,976	0.6%	0.6%	5.3%
Pressure Tubing	21B	1,895			1,895	0.0%	0.0%	19,462			19,462	0.0%	0.0%	20.6%
Structural Pipe and Tubing	22A	41,248			41,248	0.6%	0.0%	510,835			510,835	0.6%	0.0%	5352.4%
Pipe for Piling	22B	10,338			10,338	0.1%	0.0%	103,932			103,932	0.1%	0.0%	n/a
Stainless Pipe and Tubing	21C&D			1,146	1,146	0.0%	0.0%			14,860	14,860	0.0%	0.0%	-18.2%
<b>Total Pipe and Tubing</b>		248,374	82,600	1,146	332,120	4.5%	3.6%	3,072,843	1,175,101	14,860	4,262,804	4.7%	3.0%	62.3%
<b>Wire-Drawn and/or Rolled</b>	23	32,952		***	32,952	0.4%	0.4%	422,581		***	422,581	0.5%	0.4%	16.2%
Black Plate	28	5,544			5,544	0.1%	0.0%	47,271			47,271	0.1%	0.0%	33.8%
Tin Plate	29	99,559			99,559	1.4%	1.2%	1,068,804			1,068,804	1.2%	1.3%	-4.0%
Tin Free Steel	29A	19,906			19,906	0.3%	0.3%	257,911			257,911	0.3%	0.3%	-1.6%
Tin Coated Sheets	30	3,661			3,661	0.0%	0.1%	71,005			71,005	0.1%	0.1%	-19.4%
<b>Total Tin Mill Products</b>		128,670			128,670	1.8%	1.6%	1,444,991			1,444,991	1.6%	1.7%	-3.6%
Sheets-Hot Rolled	31	1,716,831	17,728	27,684	1,762,243	24.0%	25.0%	21,785,966	244,189	375,468	22,405,623	24.7%	24.5%	5.9%
-Cold Rolled	32**	787,999		85,527	873,526	11.9%	12.0%	9,839,288		1,325,259	11,164,547	12.3%	12.7%	1.8%
Sheets & Strip Galv.(Hot Dipped)	33A	1,166,570			1,166,570	15.9%	16.8%	15,551,929			15,551,929	17.1%	18.3%	-1.7%
-Galvanized (Electrolytic)	33B	57,577			57,577	0.8%	0.9%	785,556			785,556	0.9%	1.1%	-18.3%
-All Other Metallic Coated	34	138,237			138,237	1.9%	1.7%	1,821,106			1,821,106	2.0%	1.8%	19.2%
Electrical Sheets and Strip	35					0.0%	0.0%					0.0%	0.0%	#DIV/0!
Strip-Hot Rolled	36**	3,612		1,605	5,217	0.1%	0.0%	43,348		14,160	57,508	0.1%	0.0%	33.9%
-Cold Rolled	37	5,750	11,582	52,170	69,502	0.9%	0.5%	69,000	102,197	471,145	642,342	0.7%	0.5%	41.5%
<b>Total Sheets and Strip</b>		3,876,576	29,310	166,986	4,072,872	55.6%	56.9%	49,896,193	346,386	2,186,032	52,428,611	57.7%	58.9%	2.9%
<b>TOTAL SHIPMENTS 2017</b>		6,872,259	244,797	211,191	7,328,247	100.0%	XXX	84,911,212	3,216,426	2,759,079	90,886,717	100.0%	XXX	5.0%
Total Shipments - Prior Year 2016		6,732,464	201,733	239,048	7,173,245	100.0%	XXX	81,534,777	2,394,267	2,604,297	86,533,341	XXX	100.0%	XXX

\*Includes revisions for previous months.

\*\*Some Alloy included in Carbon due to disclosure.

\*\*\* Not included due to disclosure

2/06/2018

## Exhibit 5



U.S. Department  
of Transportation  
Federal Highway  
Administration

1200 New Jersey Ave., SE  
Washington, D.C. 20590

February 3, 2015

Reply Refer To:  
HIPA

Mr. Gary Lee Moore, P.E.  
Interim Executive Director  
The Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731

Dear Mr. Moore:

Thank you for your letter cosigned by other local officials to former Administrator Victor Mendez requesting a nationwide waiver of the Buy America requirements for semi-finished steel slabs. You stated that a waiver is required because semi-finished steel slabs are not produced for commercial sale in the United States in sufficient and reasonably available quantities. We have considered your request and have determined that a waiver is not adequately supported.

The Federal Highway Administration (FHWA) regulatory policy for Buy America waivers in 23 CFR 635.410(c)(1) establishes that:

*"A State may request a waiver of the provisions of this section if: (i) The application of those provisions would be inconsistent with the public interest; or (ii) Steel and iron materials/products are not produced in the United States in sufficient and reasonably available quantities which are of a satisfactory quality."*

You presented three arguments to support your position that a nationwide waiver is needed because semi-finished steel slabs are not available in sufficient and reasonable quantities.

The first argument refers to other studies that established the non-availability of domestic slabs on the commercial market. The second argument states that the non-availability of steel slabs has an adverse impact on the Federal-aid highway program, particularly in the western United States. The studies you referenced are more than ten years old. We have received no recent inquiries or information from State Departments of Transportation or other recipients that indicates there is a shortage of the steel and iron materials and products incorporated in Federal-aid projects as a result of the purported shortage of semi-finished steel slabs. The American Iron and Steel Industry reports for the week ending October 25, 2014 that the capability utilization rate was 76.3 percent for the U.S. steel industry. Thus, there appears to be adequate capacity for the U.S. steel industry to meet a demand for semi-finished steel slab if the market price is adequate.

## Exhibit 5

2

Your third supporting argument is that the waiver is justified on the same basis as the current nationwide waiver for pig iron and processed iron ore. The melting, pouring, and rolling operations associated with the production of semi-finished steel slabs are manufacturing processes subject to Buy America requirements on Federal-aid projects. While your request attempts to draw a parallel justification for approval of the waiver based on the IITWA's March 24, 1995 nationwide waiver for pig iron and processed, pelletized, and reduced iron ore, these products are fundamentally different in material properties. The use of pig iron, and processed pelletized, and reduced iron ore requires additional processing to melt ingredients and add other alloys such as nickel, manganese, chromium, and vanadium to produce steel, and ensure that the metallurgical properties of the desired grade are obtained. This additional processing must occur in the United States in order for these products to be compliant with Buy America. For semi-finished steel slabs, the slab is generally representative of the metallurgical properties of the desired grade of steel. The metallurgical properties are established in the production process, and therefore, it is covered by the Buy America requirements.

With respect to your position that granting the waiver would be in the public interest, you indicated that applying Buy America requirements to semi-finished steel slabs reduces rather than creates jobs. Your position contradicts other recent publicly available information regarding economic and employment data from the steel manufacturing industry. The following information from the American Iron and Steel Institute and Steelonthenet.com indicates that granting the requested waiver would have a significant negative impact on the domestic steel manufacturing industry and the U.S. economy:

- The U.S. steel industry employs approximately 150,000 Americans.
- Every job in the U.S. steel industry indirectly supports another 7 jobs in the U.S. economy.
- The domestic steel industry directly or indirectly supports more than one million U.S. jobs.
- The relative value of semi-finished slab is a significant component in the steel manufacturing process. While actual costs vary with each manufacturer, Steelonthenet.com's "[Steel value added chain for flat product prices -H1 2014](#)" shows that the average price for slab is a significant component in the value added chain for hot rolled coil or cold rolled coil products. Based on the relative value of this step of the steel manufacturing process, it is logical to say that there would be a proportional number of jobs supporting this manufacturing process in the value added chain. Thus, a waiver of the Buy America requirements to allow semi-finished slabs to be imported would probably be very detrimental to employment in the U.S. steel industry.

With respect to your statement that a waiver would create jobs in the regional economies near the California Steel Industries (CSI) and NLMK Pennsylvania plants:

- According to the request, CSI historically "... has been able to meet an average of 7 percent of its needs on the domestic market" (by importing 93 percent of its slab). It is unclear how a waiver (allowing CSI to potentially import 7 percent of its slab demands) would create 175 new jobs at the Port of Los Angeles.

## Exhibit 5

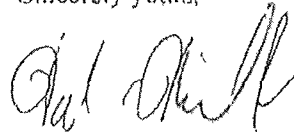
3

- The waiver request stated that an estimated 1,000 jobs would be created in the regional economy near CSI's facility if the waiver were approved. It did not provide an estimate of the resulting decrease in jobs in the domestic economy near other steel manufacturer's sites if the waiver is approved.

Based on the above, we have determined that there is not a sufficient basis to advance the waiver request. This determination is consistent with a decision reached by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (the Councils) in an August 30, 2010 final rule regarding Federal Acquisition Regulation and the American Recovery and Reinvestment Act of 2009 (the Recovery Act)--Buy American Requirements for Construction Material. As it relates to the Buy American-Recovery Act provisions, the Councils stated: "... the proposal to treat foreign slab as a "component" of other manufactured goods, not requiring production in the United States, is not acceptable, because the resultant construction material consists wholly or predominantly of iron or steel, and allowing foreign slab would not meet the objectives of the law."

For your information, I am providing a copy of this letter to the cosignatories of the June 4, 2014 request.

Sincerely yours,



Walter C. Waidelich, Jr.  
Associate Administrator for Infrastructure

# American Metal Market

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## JSW to add hot end to Texas mill

Mar 08, 2017 | 06:50 PM | Dom Yanchunas

HOUSTON — JSW Steel North America intends to install an electric-arc furnace (EAF) at its plate and pipe mill in Texas.

The new caster and furnace may have an annual capacity of more than 1 million tons per year, president and chief executive officer John Hritz said on March 8. Installation is expected in about 20 to 22 months, Hritz said on the sidelines of the *AMM* and *Metal Bulletin Research Steel Tube & Pipe Conference*.

"We are putting a hot end in," Hritz said during a producers panel. "It's the logical thing for us to do. We would be solidly, solidly competitive with spiral."

The new furnace has been added to an already-planned series of upgrades at the cavernous former U.S. Steel Corp. mill in Baytown. Hritz said the hot end would be constructed on a greenfield section of the 700-acre campus.

Demand for fully domestic X65 and X70 line pipe is expected to increase as a result of President Trump's vow to require American-made steel for new pipelines. Aside from that, Hritz said expanding the scope of production at the Indian-owned Baytown facility makes good commercial sense from an input standpoint.

"We could hot-charge from the caster directly into the plate mill," Hritz told *AMM*. "There would be tremendous cost savings."

The company is debating whether to put in a 102-inch-wide caster.

"It takes you into markets—like the big structural market—that we're not touching at this time," Hritz said. "We would pick up niche markets. ... Caster width will determine EAF size."

Dom Yanchunas  
[dom.yanchunas@amm.com](mailto:dom.yanchunas@amm.com)



**Steel Slab: First Unit of Quantity by District, Country Name and First Unit of Quantity  
for ALL Countries**

**U.S. Imports for Consumption**

**Annual Data**

District	Country	Quantity Description	2013	2014	2015	2016	2017	Percent Change 2016 - 2017
			In 1,000 Units of Quantity					
Baltimore, MD	Brazil	kilograms	1,252	1,765	58,809	1,177	1,451	23.3%
.	Germany	kilograms	0	0	314	0	46	N/A
.	Italy	kilograms	0	0	17	0	0	N/A
.	Russia	kilograms	0	0	0	0	2,892	N/A
.	United Kingdom	kilograms	0	56,943	57,425	0	0	N/A
Boston, MA	Brazil	kilograms	0	0	0	1,922	0	-100.0%
.	Finland	kilograms	0	0	20	0	0	N/A
.	United Kingdom	kilograms	13	0	0	0	0	N/A
Buffalo, NY	Canada	kilograms	20,551	7,955	3,062	8,515	12,781	50.1%
.	China	kilograms	0	0	0	0	5	N/A
.	Germany	kilograms	0	528	0	0	0	N/A
Charlotte, NC	United Kingdom	kilograms	0	0	0	0	44	N/A
Chicago, IL	China	kilograms	0	16	11	51	76	47.9%
.	Germany	kilograms	0	4	0	0	0	N/A
.	Italy	kilograms	0	80	432	0	0	N/A
.	Russia	kilograms	0	185,773	0	20,308	207,036	919.5%
.	United Kingdom	kilograms	0	18	0	3	310	11,540.2%
Cleveland, OH	Canada	kilograms	5	0	0	0	0	N/A

**Exhibit 7**

Report --

.	China	kilograms	0	7	0	10	0	-100.0%
.	Germany	kilograms	608	2,089	0	0	0	N/A
.	Japan	kilograms	0	0	0	2	0	-100.0%
.	Slovak Republic	kilograms	0	0	0	0	17	N/A
.	United Kingdom	kilograms	0	0	0	0	34	N/A
Columbia-Snake, OR	Brazil	kilograms	0	0	18,365	0	0	N/A
.	Japan	kilograms	1,901	0	0	0	0	N/A
.	Mexico	kilograms	169,727	102,932	113,298	15,516	28,123	81.3%
.	Russia	kilograms	488,196	830,428	419,817	443,917	503,358	13.4%
.	United Kingdom	kilograms	0	0	8,181	0	0	N/A
Dallas-Fort Worth, TX	China	kilograms	11	25	642	93	71	-24.0%
.	United Kingdom	kilograms	0	0	45	0	0	N/A
Detroit, MI	Brazil	kilograms	6,208	0	0	0	0	N/A
.	Canada	kilograms	43,792	116,408	17,053	6,760	4,436	-34.4%
.	China	kilograms	0	0	0	0	34	N/A
.	Slovak Republic	kilograms	0	0	0	0	42,333	N/A
.	United Kingdom	kilograms	0	267	0	0	0	N/A
Duluth, MN	Canada	kilograms	0	0	204	0	2,076	N/A
Great Falls, MT	Canada	kilograms	15,260	17,250	15,812	25,725	27,122	5.4%
.	Taiwan	kilograms	0	0	50	0	0	N/A
Houston-Galveston, TX	Brazil	kilograms	41,402	1,504	22,235	34,718	22,486	-35.2%
.	China	kilograms	8	0	0	16	81	409.3%
.	Germany	kilograms	77	0	0	1,492	46	-96.9%
.	India	kilograms	0	101,968	39,753	34,309	76,146	121.9%
.	Italy	kilograms	0	370	1,167	191	2,240	1,075.5%
.	Korea	kilograms	84,583	21,684	0	0	3,365	N/A

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.	Mexico	kilograms	156,759	198,052	170,148	107,277	168,352	56.9%
.	Poland	kilograms	0	0	12	12	0	-100.0%
.	Russia	kilograms	109,455	99,194	40,614	0	0	N/A
.	Switzerland	kilograms	0	0	20	0	0	N/A
.	United Kingdom	kilograms	0	25,553	7	0	36	N/A
Laredo, TX	Mexico	kilograms	392	0	552	238	527	121.1%
Los Angeles, CA	Brazil	kilograms	625,299	926,193	883,701	691,046	768,026	11.1%
.	China	kilograms	39	0	3	329	3	-99.2%
.	Japan	kilograms	540,368	462,201	351,150	308,930	350,854	13.6%
.	Korea	kilograms	0	2,772	0	0	0	N/A
.	Mexico	kilograms	243,540	40,204	0	151,265	99,318	-34.3%
.	United Kingdom	kilograms	0	167,501	0	0	0	N/A
Miami, FL	Germany	kilograms	0	0	0	4	0	-100.0%
.	Italy	kilograms	0	0	0	0	19	N/A
Milwaukee, WI	Czech Republic	kilograms	0	0	0	6	0	-100.0%
Minneapolis, MN	Brazil	kilograms	7	0	0	0	0	N/A
.	China	kilograms	288	289	232	80	7	-91.4%
Mobile, AL	Brazil	kilograms	2,741,825	2,621,614	2,506,175	2,401,743	2,707,850	12.7%
.	Mexico	kilograms	0	447,330	349,503	346,935	535,061	54.2%
.	Russia	kilograms	160,695	369,494	0	0	0	N/A
New Orleans, LA	Brazil	kilograms	13,300	54,081	6,296	0	53,740	N/A
.	Canada	kilograms	8	0	0	0	5	N/A
.	China	kilograms	6	0	0	0	0	N/A
.	Italy	kilograms	0	0	0	9	27	182.4%
.	Japan	kilograms	0	0	0	14	0	-100.0%
.	Korea	kilograms	0	0	0	0	3,878	N/A
.	Mexico	kilograms	101,311	148,310	0	0	0	N/A
.	Slovak Republic	kilograms	0	68,388	0	0	0	N/A
.	United	kilograms	5	0	0	0	13	N/A

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	Kingdom							
New York, NY	China	kilograms	0	0	62	0	36	N/A
.	Italy	kilograms	6	497	416	21	0	-100.0%
.	United Kingdom	kilograms	0	0	0	33	0	-100.0%
Norfolk, VA	China	kilograms	0	0	153	0	0	N/A
.	Italy	kilograms	7	7	0	2	3	12.9%
.	United Kingdom	kilograms	0	0	0	0	63	N/A
Ogdensburg, NY	Canada	kilograms	705	15	0	0	0	N/A
.	China	kilograms	0	0	0	0	62	N/A
.	Germany	kilograms	0	149	0	0	0	N/A
Pembina, ND	Canada	kilograms	7	0	0	0	5,079	N/A
Philadelphia, PA	Brazil	kilograms	49,992	207,537	0	0	147,427	N/A
.	Germany	kilograms	0	1,460	821	0	0	N/A
.	Italy	kilograms	0	410	996	69	256	270.9%
.	Japan	kilograms	0	52,793	0	0	0	N/A
.	Mexico	kilograms	0	48,058	0	0	0	N/A
.	Netherlands	kilograms	0	0	0	0	39,667	N/A
.	Poland	kilograms	0	0	0	0	6	N/A
.	Russia	kilograms	705,311	1,478,380	1,134,928	1,165,077	1,431,040	22.8%
.	United Kingdom	kilograms	0	310,825	0	113	12	-89.7%
San Diego, CA	Mexico	kilograms	25	4	0	0	0	N/A
San Francisco, CA	China	kilograms	0	0	0	17	38	124.6%
.	Taiwan	kilograms	0	6	0	0	0	N/A
Savannah, GA	Austria	kilograms	0	0	13	0	0	N/A
.	China	kilograms	0	0	79	466	106	-77.3%
.	Germany	kilograms	0	18	0	0	0	N/A



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.	Japan	kilograms	0	210	42	0	115	N/A
.	United Kingdom	kilograms	20	0	0	0	0	N/A
Seattle, WA	Canada	kilograms	0	3,749	7,406	5,065	5,326	5.2%
.	China	kilograms	0	0	0	7	29	300.1%
St. Albans, VT	Canada	kilograms	1	2,712	31,221	3,788	14,868	292.5%
Tampa, FL	China	kilograms	19	0	0	0	0	N/A
Washington, DC	Italy	kilograms	0	1	0	0	0	N/A
.	Switzerland	kilograms	0	0	0	0	1	N/A
<b>Subtotal Washington, DC</b>			0	1	0	0	1	%

Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.