

ATTACHMENT A TO EXCLUSION REQUEST

Box 2b – Lack of U.S. Production

Stanley Black & Decker, Inc. (“Stanley”) requests an exclusion from the Section 232 Steel Tariffs for cold-heading quality (“CHQ”) steel wire. This request is necessary because the United States currently lacks the sufficient resources and capacity to produce the following key grades of CHQ: C1006, C1008, C1010, C1018, C1022, C1038, C1045, C1048, C1050, C1055, 10B22, 4037. These wire grades support our U.S. based fastener and rivet manufacturing operations in Decorah, IA and Hopkinsville, KY. The operations and products produced at both facilities are described below.

Without access to imported CHQ wire, the quality, performance and end-use safety of the products made at the facilities would be significantly compromised. The grades of CHQ steel wire that we purchase today are melted, hot rolled, cold-drawn and annealed to a particular hardness per our specifications. The wire must be cut into coils and packaged on steel “top hats” before shipping to our manufacturing sites for further processing. Each grade of CHQ wire is specific to the product line it supports. Each grade requires multiple levels of processing beyond hot rolling, and few manufacturers in the world can do this. Moreover, steel from integrated furnaces is preferred for cold heading.

The chemistry of each grade is pure, has a specific purpose, and is geared toward the specific products and/or applications for which that grade will be used. Failure to meet our chemistry specifications has a direct impact on the performance of the product for the end user. Each alloying element related to product performance is called out in our specifications with nominal, minimum, and maximum values to ensure compliance from our steel vendors. Because of the importance of metal purity and chemistry to the end user, each coil is tested in our in-house

lab prior to being released into production. We do this to confirm that the steel's chemistry meets the strict standards called out in our specifications.

CHQ wire is the foundation material for a variety of fastener products, including self-drilling screws, socket head caps, shoulder screws, and “plastite” screws. These fasteners are sold in commercial and industrial markets globally.

The key purity attributes of the CHQ wire that Stanley focuses on are: 1) Chemistry; 2) Decarburization; 3) Hardness, Microstructure; 4) Grain size; 5) Cleanliness - non-metallic inclusions must be held to a minimum.

The Decorah facility produces 1.3 Billion fasteners per year, which result in about \$100 million in annual sales. The Decorah facility produces fasteners and cold formed components for a wide variety of industries. Key production processes include cold heading, reheating, roll forming, threading, machining, CNC, grinding, heat treating, passivation, Microtech®, sorting, and packaging.



Decorah, IA



Decorah, IA product examples



Decorah, IA brand

The Hopkinsville facility produces rivets out of CHQ steel wire. There are multiple POP rivet styles that are being manufactured in Hopkinsville: pull through, load spreading, grip-tite, open end, close end, multi-grip, self-plugger. Current production is over 1 million rivets per month.

Products go to different industries: home and appliance, general manufacturing, automotive, electronics, recreational vehicles and other transportation.



Hopkinsville, KY facility



Hopkinsville, KY products



Hopkinsville, KY brand