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May 9, 2018

Section 301 Investigation
Docket ID: USTR-2018-0005
Total Pages: 10

PUBLIC DOCUMENT

BY ELECTRONIC FILING (301investigation@ustr.eop.gov)

Ambassador Robert E. Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: **Section 301 Investigation of China's Acts, Policies, and Practices
Related to Technology Transfer, Intellectual Property, and
Innovation (Docket ID: USTR-2018-0005): Testimony of Matt
Ahlin, Vice President and General Manager of Pittsburgh
Carbide Die Co. LLC**

Dear Ambassador Lighthizer:

On behalf of Pittsburgh Carbide Die Co. LLC ("Pittsburgh Carbide Die"), a family-owned business that has been producing dies and tooling that serve the nail and rivet industries in the United States for over 65 years, we hereby submit the testimony of Matt Ahlin, the Vice President and General Manager of Pittsburgh Carbide Die, that he intends to deliver on Panel 2 of the Section 301 hearing on May 15, 2018, pursuant to *Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and*

Innovation, 83 Fed. Reg. 14,906 (USTR Apr. 6, 2018).

Please contact the undersigned with any questions that may arise concerning this submission.

Sincerely yours,

/s/ Adam H. Gordon

Adam H. Gordon

Ping Gong

Lydia K. Childre

THE BRISTOL GROUP PLLC

Counsel to Pittsburgh Carbide Die Co. LLC

Enclosure

**TESTIMONY OF MATT AHLIN
Vice President and General Manager
Pittsburgh Carbide Die Co. LLC**

May 15, 2018

Good afternoon. I am Matt Ahlin, the Vice President and General Manager of Pittsburgh Carbide Die Co. I represent the third generation of our family owned business. Our company has served the nail and rivet industries in the United States for over 65 years. We produce the dies and tooling that form finished nails and rivets. We only use American made tungsten carbide and steel in our products.

We are here today representing our manufacturing business and our customers in the United States. The tariffs imposed on Chinese goods through the 232 and 301 investigations will protect much of the steel industry, but they leave all of the finished products exposed. Without protection of finished products such as nails and rivets, our customers and our company will continue to struggle. I am here to ask you to include protection on nails and rivets in the tariff coverage.

For the nail and rivet industries, the 232 and 301 tariffs create significant risk. Due to limited supplies, the tariffs have already caused an increase of approximately 25% in the prices of domestic rod and wire, which are used to produce nails and rivets. This significant increase translates directly into increased costs for our customers, and in turn makes them less competitive with imported

products. A number of our current nail manufacturing customers are already experiencing a decrease in orders causing them to layoff some employees.

At the same time, the tariffs have caused shifts in supply across the world, with prices of wire rod and wire falling. This translates into lower raw material prices for foreign producers. Because finished goods are not covered by the tariffs, there is a natural incentive to convert rod and wire into finished products and send nails and rivets to the United States, because there are no 232 or 301 duties on them. Due to this, imports of finished goods are able to come into the United States at even lower prices, and it's difficult for nail manufacturers to raise their prices to cover their increased costs.

If the 232 and 301 tariffs do not cover finished products, U.S. manufacturers of nails and rivets will be squarely in the cross hairs of their foreign competition. I would note that the U.S. nail industry already has been fighting unfair imports for over 10 years, and has 8 anti-dumping and countervailing duty orders in place. Primarily because of imports, this industry, which had in the past more than 100 significant manufacturers of nails and rivets, now has only a handful of significant producers and several dozen niche and specialty producers. I've attached to my written testimony a partial list of US nail and rivet manufacturers that are no longer

in business or no longer manufacture nails in the United States. Of the approximately 70 manufacturers, only 3 still manufacture, but they do so overseas.

Failing to cover finished goods in the 232 and 301 duties makes no sense. At the end of the day, if finished goods producers fail, the reality is that the upstream steel producers who benefit from the 232 and 301 duties will have fewer customers as well.

The flaws I've just talked about will compound 30 years of IP loss. Nail machines, rivet machines and tooling are sophisticated and involve a great deal of intellectual property. We and our competitors in the United States have suffered IP loss for years. We all have sold our tooling to companies that have forwarded this tooling to companies in China and other places to be reverse engineered.

We are not asking for tariffs on tooling or from our offshore competitors but on behalf of our customers and the nails and rivets they produce. They have the same Made in America pride that we do, and they deserve the same protection being given to upstream producers. We would like to continue to make the dies for nails and rivets for American industry for years to come. I have identified the specific items that need to be covered in my written testimony.

Thank you for your time and attention. I am happy to answer any questions you have.

Tariff Categories That Should be Added to Section 301 Coverage

7317.00.5501 through 7317.00.5590: Nails made from Iron or Steel

7318.23.0000: Rivets made from Iron or Steel

7616.10.1000 through 7616.10.30000: Nails and rivets made from Aluminum

8308.20.3000 and 8308.20.6000: Blind Rivets made from all materials

Appendix A

COMPANY NAME	STATE
AH International	NV
Airnail	AR +CA
American Nail	MO
American Nail and Fasteners	NC
Angel Nail and Chaplet	OH
Armco Steel	KS
Atlantic Steel	GA
Atlas Steel and Wire	LA
Automatic Fasteners	CT
Baker Nail	NC
Beaufort Nail	SC
Bethlehem Steel	PA+MD
Celus Fasteners	MA
Chicago Contractors Supply	IL
Colorado Fuel and Iron	CO
Colorado Nail	CO
Connecticut Steel	CT
Container Stapling	IL
Continental Steel	IN

Davis Wire	WA + CO
Deniston Co.	IL
Diamond Com Prod	NJ
Dickson Weatherproof Nail	IL + TX
Duofast	MS
Erico Ind.	NJ
Fastech USA	NC
Federal Nail	NC
Forsyth Ind	NY
Gunnison International	NJ
H.A. Jones	OH
Halstead Ind.	CA
Hillwood Nail	OH
Hilti	OK
Hilti Speedfast	NY
Hoffler Wire Products	CA
Holland Mfg.	MD
Independent Nail	MA
Insteel	SC
International Staple and Machine	PA
Keystone Fasteners	AR
Keystone Steel and Wire	IL

Marson Fasteners	MA
Metco	AL
Midwest Nail	IN
National Nail	MI
Nichols Homeshield	IA
Nichols Wire	AL
Northwest Steel (Sterling Nail)	IL
Pacific Steel and Supply	CA
Parker Metal	MA
Phifer Wire	AL
Progressive Steel	TX
Simplex Nails	GA
Stanley Bostich	RI and others
Swan Secure Products	MD
Titan Ind.	TX
Toledo Gutter Supply	OH
Tower Mfg	IN
Traverse Nail	MI
Treasure Coast Fasteners	FL
US Fasteners	NC
US Steel	Joliet IL + others
Virginia Wire and Fabric	VA

W J Young	MA
W W Cross	NH
Wheeling LaBelle	WV
Winston-Salem Nail	NC
Wire Products - Fox Valley	WI
Wolverine Re-steel	MI