



STEEL FOR TIRES SHOULD BE EXEMPTED FROM SECTION 232 INVESTIGATION

Domestic Steel Sources Not Available for Key Tire Components

Background

- On April 21, 2017, President Trump authorized the Department of Commerce to conduct an investigation to consider the national security implications of steel imports.
- Department of Commerce Secretary Ross recognizes need for qualified exemptions from this investigation.

Tire Industry Seeks Exemption

- Domestic suppliers cannot meet volume and quality needs for crucial tire safety components.
- USTMA requests that specific types of tire cord-quality steel wire rod, tire cord and bead wire be excluded from the Commerce Department investigation.

Steel is Critical to Tire Safety

- Tires are among the most highly engineered safety components on vehicles and are directly involved in all aspects of a vehicle's movement.
- The steel wire is used both in a tire's steel belts, providing strength, high load-carrying capacity, puncture resistance and durability, and in the bead, which holds the tire to the rim.

Steel Production Differences

- Virtually all of the steel wire rod used by the U.S. tire manufacturing industry is sourced from foreign suppliers due to the stringent performance and quality requirements of tire manufacturing.
- The vast majority of domestic steel mills do not produce the precise specifications tires require for tire cord-quality steel wire rod, which is used to make tire cord and bead wire.
- Electric arc furnace technology, used in domestic steel mills, is unable to produce consistently the quality of tire cord-quality wire rod necessary to make tire cord for use in tire manufacturing.
- Tire cord-quality wire rod is produced using basic oxygen furnace technology, which is employed by foreign wire rod suppliers and is a product that cannot be supplied in the volume and under the quality necessary for military and civilian applications by domestic producers.

Consistent Tire Supply Is Essential

- Tariffs or quotas on these products would significantly disrupt the production of tires in the United States, due to quality and supply limitations in domestically producing tire cord-quality steel wire rod to replace imported products.
- Consistent tire supply is critical to the nation's shipping and commerce needs, and bolsters national security, since the U.S. military relies on the tire industry to provide high performing and durable tires to aid in our national defense.

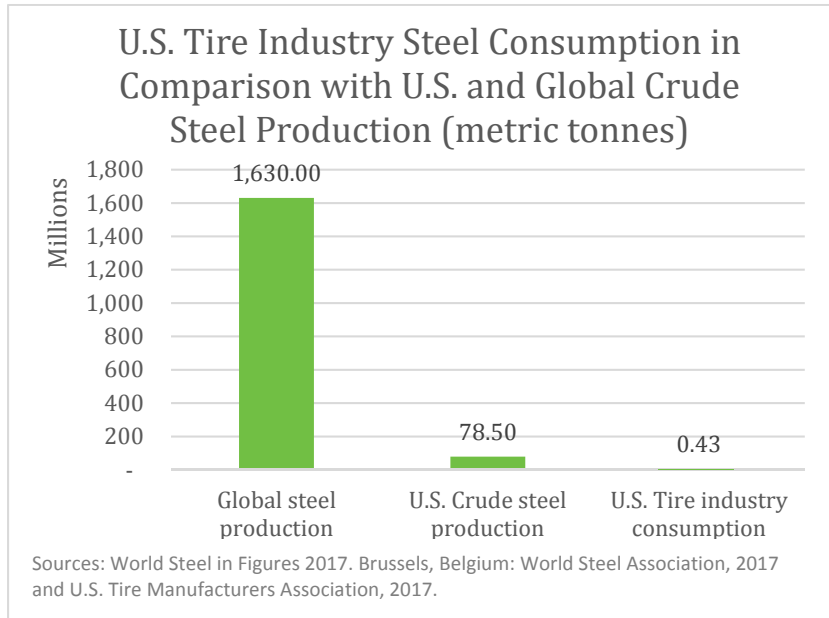


STEEL USE FOR TIRE MANUFACTURING

Key Facts and Figures

Tire Industry Uses Small Percentage of Steel Production

- U.S. tire industry consumption of steel in 2016 was approximately 429,266 metric tonnes.
- This represents 0.1% of global crude steel production and equates to about 1% of U.S. crude steel production.



Industry Steel Sourced from a Variety of Countries

- In 2016, tire-related steel was imported from 27 different countries.
- Tire-related steel imports are diversified, which minimizes any potential national security concern.

