



September 12, 2024

Dawn Shackelford
Executive Director of Agreements Policy & Negotiations
U.S. Department of Commerce
International Trade Administration
1401 Constitution Ave NW
Washington, D.C. 20230

Executive Director Shackelford,

As organizations representing a broad cross-section of the United States steel industry and its workers, we write to express our gratitude to the United States Department of Commerce's International Trade Administration (ITA) for its ongoing commitment to monitoring steel import data to better ensure that the steel products entering into the United States are doing so transparently and in a manner consistent with U.S. and international trade laws. Looking ahead, we would welcome the opportunity to work with you to best ensure the accuracy of import data, to increase cross-border data sharing, and to expand import monitoring to additional downstream products to better serve the needs of the domestic steel industry.

Specifically, we appreciate ITA's ongoing work to maintain a robust Steel Import Monitoring and Analysis (SIMA) system. Please see the attached statement, signed by many of our organizations, submitted to the Department of Commerce last November recognizing the importance and value of the SIMA system. For almost twenty years, the "early warning" import statistics provided by SIMA have allowed domestic producers to monitor steel trade trends in near real time. And, thanks to revisions and improvements to the program in 2020, the system now requires information on the original country of melt and pour for covered imports, providing even more data to help identify evasion of the Section 232 duties and quotas as well as of U.S. antidumping (AD) and countervailing duty (CVD) orders that protect our industry and workers from unfair trade. As our industry continues to face new and evolving trade challenges, we urge you to work with us to build on the success of this vital program.

Ensuring Accurate Import Data

The SIMA system provides valuable statistics and insights to the steel trade community and policymakers seeking to understand the markets and working to ensure a level playing field for domestic producers. Notably, the effectiveness of our trade remedy laws depends on the ability to monitor the volume and origin of imports entering into the United States and to

identify potential concerns in a timely manner. The timeliness of the SIMA system is particularly important, with statistics on anticipated covered imports posted on a weekly basis, approximately five weeks ahead of comprehensive import statistics reported by the U.S. Census Bureau.

But the SIMA data are only useful if they are accurate, and their accuracy depends on the precision of the importers reporting them. Not infrequently, the trade community detects errors in the SIMA data. For example, SIMA data may indicate that an imported product was melted in a country where no such melt capacity exists. While in some cases these are inadvertent reporting errors, they may also be reflective of efforts to evade duties. Additionally, in the stainless sector SIMA aggregates all collected import data into a single stainless product category. The aggregation of stainless import data into a single stainless product category undermines the accuracy and quality of the data available to the public and limits the ability of the stainless steel industry to provide the Commerce Department with information related to capacity to aid their enforcement efforts. While we believe that this decision was initially made to ensure that confidential business information was not compromised, with four years of data now collected and published, we encourage SIMA to revisit the extent to which disaggregation of product categories may be possible.

We are grateful for ITA's coordination with domestic producers and its ongoing responsiveness to our concerns about the accuracy of the SIMA data. We urge continued vigilance and engagement with industry to ensure accurate data, which is necessary to understand trade flows and for effective enforcement of the Section 232 remedies as well as our trade remedy laws.

Increased Cross-Border Data Sharing

We are pleased the Administration is encouraging our trading partners to implement trade monitoring tools similar to SIMA to increase data-sharing and transparency and to detect and address evasion and circumvention of trade remedy laws as well as Russian sanctions.

As part of the May 2019 agreements that terminated the Section 232 steel and aluminum tariffs on Canadian and Mexican exports to the United States, the United States and Canada and the United States and Mexico committed to monitor trade flows and, if necessary, address any surge in imports relative to the historic baseline. The governments also committed to implement "effective measures" to prevent the transshipment of steel and aluminum from third countries. Shortly thereafter, the United States and Canada both took action to improve their existing monitoring systems to bring them into compliance.

Regrettably, the Government of Mexico has lagged behind. We are increasingly concerned that the official trade statistics issued by the Mexican Government improperly fail to identify the country of origin of certain articles entering Mexico (they are simply reported as "unidentified"). Without these critical data, it is impossible to identify illegally-traded products that may find their way to the United States. Further, Mexico has yet to stand up its export

monitoring regime to ensure steel trade flows are in line with the 2019 joint agreement. We applaud the U.S. Government for its continued negotiations with the Mexican Government and hope to soon see a final agreement.

Expansion to Additional Downstream Products

Finally, expanding SIMA to additional downstream steel products would provide more timely data to help additional domestic companies and other stakeholders better monitor import trends. Particularly as countries seeking to evade our trade laws move “downstream” in the steel supply chain, greater access to this monitoring tool is necessary. SIMA expansion would be particularly useful now that the system requires data on the original country of melt and pour for covered steel imports. Access to these timely statistics would make it easier to identify potential transshipment and circumvention of Section 232 tariffs as well as the Section 301 China tariffs on downstream steel products.

While we recognize that expanding the SIMA system to cover all downstream steel products would be resource-intensive, we encourage ITA to work with the domestic steel industry to identify a subset of steel products that would particularly benefit from increased import monitoring, e.g., those subject to existing AD/CVD orders or those for which producers can demonstrate that imports are capturing an increasing share of the U.S. market, displacing U.S. producers. The American Institute of Steel Construction (AISC) and the American Wire Producers Association (AWPA) have provided suggestions on ways to expand the coverage of certain downstream products.

Thank you again for your ongoing commitment to a fair and transparent global trading system for steel products.

Sincerely,

Alliance for American Manufacturing
American Institute of Steel Construction
American Iron and Steel Institute
American Wire Producers Association
Cold Finished Steel Bar Institute
Committee on Pipe and Tube Imports
Specialty Steel Industry of North America
Steel Manufacturers Association
United Steelworkers

**Attachment 1:
November 2023 Steel
Industry Letter**



November 27, 2023

Julie Al-Saadawi
Director, Industrial Monitoring and Analysis
International Trade Administration
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, D.C. 20230

RE: Comments on Agency Information Collection Activities; Submissions to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Steel Import License – Docket Number OMB - 625-0245

Dear Director Al-Saadawi,

The undersigned steel industry groups and union (hereinafter referred to as “the industry”), on behalf of their members in the United States, respectfully submit these comments on the notice of information collection, request for comment as published by the U.S. Department of Commerce in the Federal Register on September 26, 2023, at 88 FR 65951. These organizations represent companies and workers engaged in the overwhelming majority of steel production and distribution in the United States.

We thank the Department for the continued recognition of the importance and value of the Steel Import Monitoring and Analysis (SIMA) system. Since its inception this program has been a critical component and essential tool that has allowed the U.S. government and stakeholders to closely monitor steel imports on a near real-time basis. The industry recognizes that SIMA provides significant benefits in the areas of timeliness and detailed information of steel import data that is published well in advance of the official reported statistics from the U.S. Census Bureau.

The SIMA system provides transparency for all interested parties, including the industry, government, importers and steel consumers. It is especially critical given the current conditions in global steel trade, particularly the global steel overcapacity crisis that has fueled a resurgence in steel production. Equally important to the industry is the ability to access data and compare import trends as it pertains to steel products covered by the existing Steel Section 232 program which was established on March 8, 2018.

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The SIMA system successfully provides reliable and comprehensive means to ensure that all interested parties have access to steel import statistics at the earliest possible date. In addition, as has been demonstrated in the past, even in times of relative economic prosperity, there are dynamics in steel import flows that must be identified as early as possible.

Additionally, the industry would like to thank the Department for the amendment to the SIMA regulations in October 2020 to require that steel import license applicants identify the country of melt and pour on the steel import license application, as well as the steps taken by the Department to publish this melt and pour data on the SIMA website. This additional data on the origin of the steel contained in steel products imported into the United States has greatly improved the effectiveness of the SIMA system in monitoring steel trade flows and instances of transshipment of steel products through third countries. These data are critical to the efforts of domestic producers to ensure effective enforcement of trade remedy orders and Section 232 measures on steel products, including through actions to address circumvention and evasion of such trade remedy orders and national security measures on steel. As the domestic industry continues to be burdened by global overcapacity and unfair trade practices it is imperative that we have the strongest tools possible to monitor and combat the circumvention of U.S. trade laws.

The industry believes that the SIMA system has been an effective tool in the identification and monitoring of steel imports and supports the continuation of the program. Thank you for the opportunity to offer comments and for your continued diligent attention to the trade concerns of the domestic steel industry, its workers, and the communities supported by the industry across the country.

Sincerely,

American Institute of Steel Construction
American Iron and Steel Institute
Committee on Pipe and Tube Imports
Specialty Steel Industry of North America
Steel Manufacturers Association
United Steelworkers