

September 22, 2004

Kelly Parkhill  
Director for Industry Support and Analysis  
Import Administration, Room 3713  
Department of Commerce  
14<sup>th</sup> Street and Constitution Ave., N.W.  
Washington, DC 20230

Dear Mr. Parkhill:

I am writing on behalf of Canada's steel producers in support of the continuation extension of the Steel Import Monitoring and Analysis (SIMA) system and its inclusion of additional steel products. The SIMA system plays a very important role in providing accurate and timely steel import information to market participants and to governments, allowing for the early identification of material changes and new developments.

As you know Canada has had a steel import-monitoring program in place for a number of years. We have found this system to be invaluable in the early detection of steel import patterns, allowing for the more timely identification of emerging trends and for more accurate expectations about future market conditions and developments. Canada has complemented this system with an Import Surveillance Committee, comprising industry and government representatives, that meets every two months to review import trends and developments. These discussions play an important role in facilitating government-industry understanding of market developments and in Canada's preparations for meetings of the North American Steel Trade Committee (NASTC).

The continuation and extension of the SIMA system would benefit the work of the NASTC since a key objective of the Committee is to take stock of emerging problems, of trade trends, and of areas of concern regarding global steel trade. Similar steel import monitoring systems in both the USA and Mexico, along the lines of the system Canada has in place, are essential to the work of the NASTC. They would ensure the timely identification of material changes essential for government policy makers and the industry. They would enable NAFTA partners the opportunity to identify potential import patterns that may be of concern to them, and to examine commonalities in those patterns.

NAFTA steel markets are the most open in the world and the three countries face common challenges.

In conclusion we support the continuation and expansion of the SIMA system to include other steel imports. It is an effective program important not only to the U.S. but to its NAFTA partners.

Yours sincerely

Barry Lacombe  
President  
Canadian Steel Producers Association