

September 24, 2004

BY HAND DELIVERY

Kelly Parkhill
Director for Industry Support and Analysis
Import Administration, Room 3713
U.S. Department of Commerce
14th & Constitution Avenue, NW
Washington, DC 20230

Re: Request for Comments on Steel Import Monitoring and Analysis System

Dear Mr. Parkhill:

On behalf of Nucor Corporation ("Nucor"), the largest steel producer in the United States, we respectfully submit the following comments in response to the Department of Commerce's ("the Department" or "Commerce") request for comments on the continuation of the Steel Import Monitoring and Analysis System ("SIMA"), 69 Fed. Reg. 52,211 (August 25, 2004). Nucor strongly supports the continuation and expansion of this important program, which provides both government and industry with crucial and timely information on steel imports.

When the President ended the steel safeguard measures, he pledged "to continue the steel import licensing and monitoring program so that my Administration can quickly respond to future import surges that could unfairly damage the industry." Commerce Secretary Evans also said: "We've told the industry that the licensing program we put in place during the safeguard period will be extended. In fact, not only will it be extended for an indefinite period of time, but we'll expand it to include products that are not now included under the licensing program."

We in the industry, who worked closely with the Secretary during the 201 program and followed through on our commitment to reinvent the US steel industry during the relief period, took Secretary Evans at his word and believed he would act expeditiously to extend and improve the import licensing program. It is absolutely critical that the Department act quickly to fulfill its commitment to continue this program beyond its scheduled termination in March 2005.

Nucor uses the current SIMA system extensively for business planning and as an early warning system for import surges. Failure to extend this program as promised would deprive Nucor and other steel producers of a vitally important tool. We are counting on the President and Secretary Evans to fulfill their commitment to keep this system in place.

While the top priority for the Administration should be to keep this extremely useful system in place, improvements can and should be made in order to enhance the program's effectiveness. Nucor fully supports the joint industry comments submitted to the Department by the American Iron and Steel Institute, the Cold Finished Steel Bar Institute, the Committee on Pipe and Tube Imports, the Specialty Steel Industry of North America, the Steel Manufacturers Association, and other entities ("the domestic industry"). Nucor urges the Department to

implement the core improvements in the SIMA program proposed by the domestic industry at the earliest possible date.

In particular, Nucor wishes to stress the crucial importance of expanding the SIMA program to cover all steel products. As the largest steel producer in the United States, Nucor produces a wide variety of steel products. Many of these products are not currently covered by the program and are vulnerable to import surges without warning. These include:

- structurals;
- fabricated structurals;
- stainless flat-rolled products;
- fasteners.

These products are important to Nucor, and account for hundreds of jobs and millions of dollars of sales. The SIMA system should be expanded to fill these gaps.

Inclusion of these products is critical, it is specifically authorized under the WTO, and it is fair, since many of our trading partners already have permanent steel import licensing in place. Nucor therefore urges the expansion of the current program to require import licenses for the steel products in HTS Chapters 72 and 73 identified in the domestic industry's joint submission to the Department. Data for these product categories should be collected and disseminated at the 10-digit HTS level.

When the original 201 program was terminated, the Administration made clear its intent to maintain and expand the SIMA program. Despite this, Commerce did not begin this rulemaking process for eight months. Further delay, at a time when steel imports are again rising, could endanger the benefits of the original 201 program and leave the industry vulnerable to import surges. In light of this, the Department should act expeditiously to ensure that these enhancements are implemented well before the current SIMA system expires in March 2005.

I would be pleased to meet with Department officials to discuss these comments. We thank you in advance for your consideration of our comments.

Respectfully submitted,



Daniel R. DiMicco
Vice Chairman, President and Chief Executive Officer
Nucor Corporation