

Congress of the United States

Washington, DC 20515

September 23, 2004

The Honorable Donald L. Evans
Secretary
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, D.C. 20230

Re: **Notice of Proposed Rulemaking Regarding the Steel Import Monitoring and Analysis System**

Dear Secretary Evans:

We are writing in response to the August 25, 2004 Federal Register Notice of Proposed Rulemaking (69 Fed. Reg. 52,211), seeking suggestions on whether to extend and improve the Steel Import Monitoring and Analysis System ("SIMA"). Since its inception, SIMA has proven vital to the continued success of the domestic steel industry. We urge the Department to fulfill its commitment to American workers and companies by making the program permanent, while expanding the range of products covered to provide the most effective monitoring.

On December 4, 2003, President Bush stated that "(t)o keep the positive momentum going, we will continue our steel import licensing and monitoring program so that my Administration can quickly respond to future import surges that could unfairly damage the industry." We join the President in recognizing the success of this program and urge you to use this opportunity to expand the program.

The limits of SIMA's product scope currently hinder the domestic industry's ability to accurately monitor import trends. Therefore, SIMA should be extended to include most iron and steel products covered by the Harmonized Tariff Schedule of the United States. Specifically, the program should cover products in headings 7206 through 7229, 7301 through 7307, 7308, subheading 7310.10.00, heading 7312, 7313.00.00, 7314, 7315, 7317.00, 7318, and 7326.

Further, please understand that there are currently six different measures pending in Congress concerning the expansion and permanency of the steel import monitoring and licensing program. This program, which enjoys wide-spread support, is a key tool for the domestic steel industry to monitor the import practices of foreign suppliers that your agency and the International Trade Commission have repeatedly found to be violating U.S. trade laws and injuring domestic producers.

It is important to remember what led to the creation of SIMA to understand why its continuation is necessary. Foreign subsidies, dumping, and import surges have devastated many steel communities across the nation and since 1998 resulted in the bankruptcy of more than 35 steel companies and the elimination of over 50,000 American steelworker jobs. If the program is revoked, it will deny domestic producers the time-sensitive, critical information they need to identify and respond to future import surges and unfair trading practices.

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The steel industry is a vital part of the domestic manufacturing sector and our economy as a whole. It provides a stable and dependable source of steel for many vital industries, including shipbuilding, auto manufacturing, national defense, construction, and food storage. SIMA is proving to be an invaluable tool for the industry, enabling it to quickly react to changing market conditions while ensuring the detection of possible unfair trading practices or import surges. The steel industry is an anchor for our domestic manufacturing sector, and a vibrant, competitive steel industry must be maintained to ensure a thriving manufacturing sector.

We strongly support the continuation and expansion of SIMA, a program that President Bush and this agency have publicly pledged to make permanent on numerous occasions, and that is vital to the stability of the domestic steel industry.

Sincerely,

Phil English

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