

Preston Publishing Company

August 30, 2004

Kelly Parkhill, Director for Industry Support and Analysis
Import Administration, Room 3713
Department of Commerce
14th Street and Constitution Ave, NW
Washington, DC 20230

Dear Ms. Parkhill:

This transmittal is in response to the International Trade Administration's (ITA) request for suggestions, as published in the Federal Register on August 25, 2004, on (1) whether to extend the Steel Import Monitoring and Analysis (SIMA) system and (2) whether, and if so how, to improve SIMA, while minimizing any impediment to international commerce.

Preston Publishing Company has a vital interest in this issue because we publish the Preston Pipe & Tube Report, a monthly compendium on the U.S. pipe and tube market. We are the foremost statistical reporting service worldwide within our industry. We also conduct the annual mill production survey for the American Petroleum Institute (API), provide quarterly supply statistics to the Metal Service Center Institute (MSCI) and our data has been accepted by the International Trade Commission (ITC), the Department of Justice (DOJ) and the Federal Trade Commission (FTC).

We support the concept and intended purpose of SIMA, which you describe as "a system to provide steel producers, steel consumers, importers, and the general public with accurate and timely information on imports of certain steel products." We view SIMA as a step in the right direction and totally concur with the domestic steel executives, the American Iron & Steel Institute (AISI) and the Steel Manufacturers Association (SMA) in urging an enhanced replacement program.

We implore you to make SIMA permanent, but make the data more definitive and therefore more helpful to the U.S. steel industry. The information disclosed should contain the following:

1. All steel products covered by HTS chapter 72 & 73.
2. Product description by HTS to the 10-digit level.
3. Expected date of export.
4. Expected date of import.
5. Country of origin.
6. Customs district of entry.
7. Quantity in kilograms.

Corporate Office – 1500 Marina Bay Dr., Ste. 3380, Kemah, Texas 77565

Telephone - (281) 334-7110, Fax - (281) 334-7110

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8. Entered value in US dollars per metric ton.

The eight categories are included in the data you are presently collecting for the steel import licenses. The only modification would be the inclusion of all steel products. The following are our comments regarding the necessity for each of the eight sections.

1. *All steel products covered by HTS chapter 72 & 73.* In the steel industry, individual producers specialize in specific market segments. Therefore, it is essential that this report be totally comprehensive to serve all interested parties within the full range of steel products.
2. *Product description by HTS to the 10-digit level.* Individual product definition is critical to our commerce. As a case in point, Line Pipe is currently classified as “Welded Tubular Products.” However, there are 25 different harmonized product codes for Line Pipe. These define whether the pipe is seamless or welded, type of weld, whether it is carbon or alloy and classification by size. There are 25 companies with 41 mills in the U.S. and none of them manufacture the full range.
3. *Expected date of export.* This is important and presents no added burden to either the importer or the government because it is currently required in the license program.
4. *Expected date of import.* It is critical to know the anticipated date of arrival and resulting entry into the commerce instead of the month or date of license application.
5. *Country of origin.* To better monitor trade flow of steel products. This in no way provides import disclosure because this element is already specified in AMS declarations.
6. *Customs district of entry.* We suggest port of arrival information be defined by district rather than individual port. This will reduce questions that could arise regarding confidentiality.
7. *Quantity in kilograms.* It is important to continue to report this information, but in the more detailed product description.
8. *Entered value in US dollars per metric ton.* Same as above.

Our government provides some of these statistics in various reports from various governmental agencies. To receive the comprehensive trade data, we must await the release of the import statistics by the U.S. Census Bureau.

For instance, we received the import data for June 2004 in mid-August. This puts the U.S. industry 45 to 75 days behind the entry curve. The end result is that product has not only entered the commerce of these U.S., but has probably been consumed by the time the market receives these statistics. This makes analyzing the supply & demand of the marketplace virtually impossible for both the domestic and import suppliers. Despite efforts by interested parties to improve the timeline of data release, so far we have not seen positive results.

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As a case in point, our government initiated the Automated Manifest System (AMS) reporting system. This provided a multitude of import information, but denied us the product description by 10 digit Harmonized Code. An entry report stating “steel pipes” with no HTS code is useless. Additionally, Commerce formed the “Strategic Trade Center” to monitor steel imports for our domestic industry but publishes no reports and releases no information to the public on their activities. Lastly, the preliminary trade data currently being released by U.S. Census Bureau does not provide product description to the 10 digit HTS number, the CIF value or the port of entry.

Other countries provide detailed import data to various industries. The Canadian government set a precedent by collecting, monitoring and distributing import permit statistics on certain carbon steel items in 1986. This was followed by the addition of alloy and stainless grade items in 1987. This data is released on a weekly basis by Industry Class as well as to the 10 digit Harmonized Code. We cannot understand why our U.S. industry is not privy to the same level of market intelligence as other countries. We contend the steel industry should be given the tools to analyze their own market rather than having this task assigned to less experienced members of our government.

While we realize adding all steel products is an additional burden to importers, we have requested no potentially confidential information. This added level of detail is justified in that the release of timely statistics will enhance their ability to serve this marketplace. Our permanent trading partners are as anxious for timely market statistics as their domestic counterparts.

Regards,

Douglass P. Yadon
Chairman
DPY/llo