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WEST VIRGINIA**United States Senate**

WASHINGTON, DC 20510-4802

September 23, 2004

The Honorable Donald L. Evans
Secretary
United States Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Evans,

I write again to urge you to take action on behalf of America's steel producers, especially for the two companies who still call West Virginia home, and extend the steel import licensing program. As you are aware, on August 25, 2004, the Commerce Department put forth a 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).

In my judgment SIMA has proven vital to the continued success of the domestic steel industry since its inception at the time President Bush correctly decided to impose tariffs under Section 201. As you know, I was a strong advocate of imposing 201 tariffs and absolutely agreed with the president that imposing these tariffs was needed to assist the ailing steel industry. I urge the Department to fulfill its commitment to American steelworkers and companies by making the program permanent, while expanding the range of products covered to provide the most comprehensive monitoring.

On December 4, 2003, President Bush stated that "to 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." The President is right to acknowledge the success of this program, and I urge you to use this opportunity to expand the program.

In March of 2003, President Bush unveiled a three pronged plan to help the domestic steel industry. As you know, two of those prongs have completely collapsed. The President pulled the steel tariffs that were properly in place almost a year and a half early. Moreover, negotiations on global overcapacity and subsidies ended when the United States walked away from the table a few months ago. That's two of the essential legs of the Administration's steel plan cut out from under our industry, which can't afford another setback.

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.

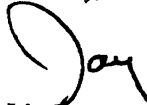
As you probably know, there are currently six different measures pending in Congress concerning the expansion and permanency of the steel import monitoring and licensing program. Just this week I added my name as a cosponsor to one of these pieces of legislation, S. 2722. This licensing program, which continues to enjoy wide-spread domestic support, is a key tool for our 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 devastated many steel communities across our nation and since 1998 have resulted in the bankruptcy of more than 35 steel companies and the elimination of over 50,000 American steelworker jobs. If this 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.

The American steel industry is a vital part of our domestic manufacturing sector and of 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 has proven to be an invaluable tool for the industry, enabling it to quickly react to changing market conditions while better ensuring the detection of possible unfair trading practices or import surges. I have always considered the steel industry to be an anchor for our domestic manufacturing sector and strongly believe that a vibrant, competitive steel industry must be maintained to ensure the U.S. continues to have thriving manufacturing sector.

SIMA is a program that President Bush and your agency have publicly pledged to make permanent on numerous occasions, and it is vital to the stability of the domestic steel industry. Mr. Secretary, I know that you understand the challenges of the American steel industry. I urge you, in the strongest possible terms, to continue this program to give our companies the full benefit of our technology and the full protection of our trade laws.

Sincerely,



John D. Rockefeller IV