

June 7, 2002

Statement of the American Iron and Steel Institute (AISI)
On behalf of AISI's U.S. Member Companies
To
The House Committee on Ways and Means
Regarding Introduction of
The Markings Harmonization Act of 2002 (H.R. 4128/S. 2235)

The American Iron and Steel Institute (AISI), on behalf of its U.S. member companies who together account for more than two-thirds of the raw steel produced annually in the United States, is pleased to provide comments to the Ways and Means Committee on the Marking Harmonization Act of 2002 (H.R. 4128/S. 2235).

AISI strongly supports comments submitted by the Committee on Pipe and Tube Imports in opposition to HR 4128/S. 2235. Strict marking definitions for imports are necessary, not only for pipe, tube and fitting products, but for all steel mill products. Marking rules and regulations should remain as currently enforced by U.S. Customs. Strict marking rules need to be maintained, to enable the purchaser/consumer to identify the true country of origin when making purchasing decisions.

Weakening the marking requirements for steel tubular products, which the subject legislation would do, would open the door for abuse and run counter to a primary intent of marking products -- to permit the purchaser/consumer to identify the real country of origin. This legislation, by allowing simple, inconsequential, low value-added processing to change the country of origin for marking purposes, would deny the purchaser/consumer the ability to determine the originating country, not only of the steel, but also of the vast majority of the subsequent value added in processing.

There are real, identifiable differences in steel quality among producing countries. These quality differences have consequential impacts upon the performance and use of the steel in final applications, including safety, longevity, fabrication, manufacturing costs and other factors. The purchaser/consumer has a need and a right to know the true origin of the steel to help ensure that the end application will perform as intended.

AISI opposes this proposed legislation. Our U.S. members continue to support the current Customs rules and regulations that apply to the marking of steel imports.