STEEL LICENSE PROGRAM NEWSLETTER

The purpose of this newsletter is to communicate any changes to the license system, steel license program, and other items of interest on, roughly, a quarterly basis in an attempt to make the program as least burdensome as possible.

Inside This Issue

Welcome

With summer officially over, autumn in full swing, and the issuance of the 250,000th steel license fast approaching, we felt that this would be a good time to update everyone with some significant happenings related to steel licensing. Arguably, the most passionate issue to our registered users is the proposition of adding a password to the system. The title of the article, *No Passwording (at least for now…),* probably sums it up best. Also in this issue is an article on the International Trade Commission's Midterm Report to the President. While not related to the functionality of the system, it is certainly worth mentioning because of the possible licensing implications. Lastly, we're pleased to report that there was no interruption in service during Hurricane Isabel a few weeks ago which virtually shut down Washington. Until next time….

Best Regards,

The Steel Licensing Team

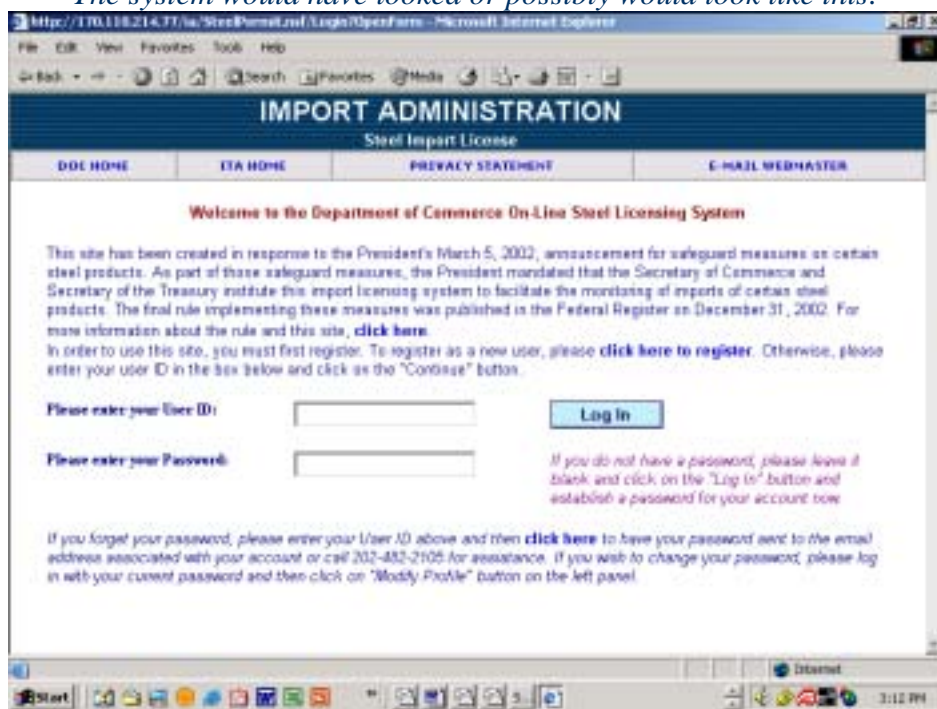## NO Passwording (at least for now…..)

On September 15th we sent an email to each registered user and asked for their opinion concerning an enhancement in the level of security to the import licensing system. The enhancement we proposed was a password that would have worked in tandem with the existing user id. Well over 200 users, who represent over 90% of the licenses issued, responded. The overwhelming result was a big "NO" (68% of the votes and 67% when weighted for number of licenses they've been issued*). Three users said (and we quote) "*If it ain't broke, don't fix it*". There were several variations on that sentiment, as follows:

- System works fine
- Password would be a cumbersome addition
- Not a high-priority
- Keep the process simple and user friendly

On the other hand, about a third of the respondents liked the concept of "additional security" and "added protection". We would have preferred a password and felt confident it could have been implemented without overly complicating the system. As for now, we'll abide by the popular vote and _not_ implement the password. However, we do reserve the option to add the password in the future should it be deemed necessary.

The system would have looked or possibly would look like this:

*The size and usage profile of registered users varies a lot. There are a few very large users who apply for the very large numbers (thousands) of licenses; there are also many users who have applied for as few as 1-5 licenses since February. ❖

ITC Midterm Report on President's Steel 201 Remedy

On September 19, 2003, the International Trade Commission released its much-anticipated Midterm Report to the President on the Section 201 Steel Remedy. While this report will probably _not_ directly impact the Steel Licensing System, the licensing system is a component of the President's March 2002 proclamation on safeguard measures covering imports of certain steel products that was based on the original ITC investigation. Therefore, we felt it would be meaningful to update our users on the Midterm Report.

The reports, <u>Steel: Monitoring Developments in the Domestic Industry (Investigation No. 332-452)</u> and <u>Steel Consuming Industries: Competitive Conditions with Respect to Steel Safeguard Measures</u> are available on the ITC's website, http://www.usitc.gov/pub3632/pub3632.htm. The ITC Commissioners did not make any policy recommendations, but did include findings in areas that have been impacted since the imposition of the safeguard measures. Some factors the report addresses:

- Industry restructuring and consolidation
- Labor issues
- Employment statistics
- Productivity
- Industry profitability
- Changes in steelmaking capacity
- Prices

There is no set time for President Bush to make a decision on whether to continue imposing the tariffs through the second half of the safeguard period as planned.

For additional information on US steel safeguards, please visit the following related sites:

United Stated Trade Representative: www.ustr.gov
United States International Trade Commission: www.usitc.gov
United States Customs Service: www.customs.gov/xp/cgov/import/duty_rates/steel

There are two identical bills (Bill S.1018 in the Senate and HR 1999 in the House) entitled Health Care Tax Credit Enhancement for Workers and Steel Security Act of 2003 that possibly could impact the Steel Licensing System:

For more information on all Congressional bills visit: http://thomas.loc.gov ❖
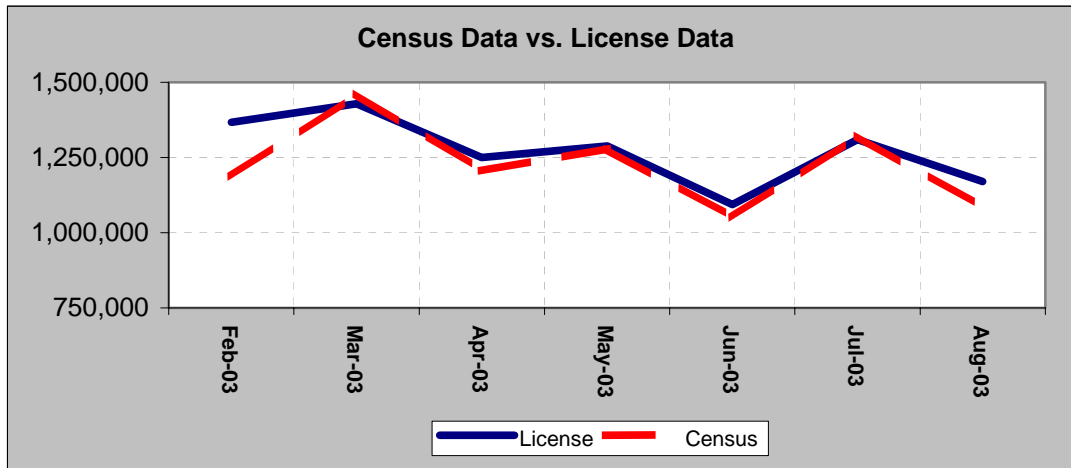

Data Quality

We are pleased to report that the data from the licensing system continues to match closely the data we receive from U.S. Customs. However, we would like to remind our users of a few problem areas:

- Include the proper 99-code: If a 99-code applies, it must be entered in the first HTS number box, followed by the original HTS code (72 or 73) in the second box.

- Date of import/export: The correct format is mm/dd/yyyy. Some may need to adjust their computer settings to reflect the proper format. (Please refer to article: *System Troubleshooting Tip*)

- Incorrect country of origin/export:

- Incorrect quantity/value: Quantity should always be listed in kilograms, and value in U.S. dollars. Both fields should match the information on the Customs entry form (7501).

- Improper use of the low-value license: the low-value license should only be used when **all** products that would appear on the license have a combined value less than $250.

Continued on next page

Data quality has improved, especially since the initiation of the license correction feature. If you discover a mistake on a license that has already been issued, please be sure to go back and correct the license. As a reminder, U.S. Customs is contacting those who continually do not follow proper licensing procedures.

The following chart demonstrates differences between Census data and license data. While we prefer the data to be identical, this chart demonstrates that the data we receive from the licenses is fairly accurate:
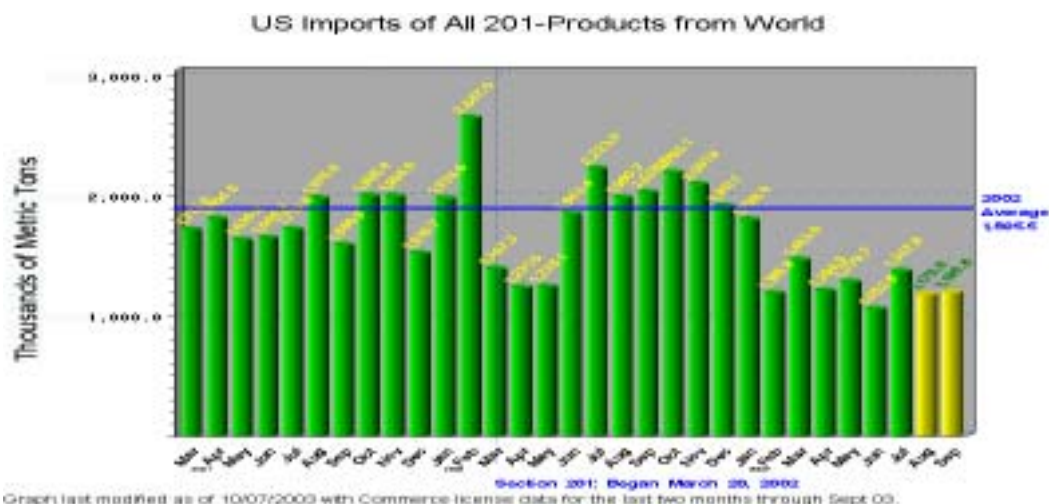
Census Data vs. License Data

Thank you for your continued cooperation. ❖

Monitoring Update…

Each week after checking through the licenses we've received for that week, we link the aggregate license data with similar data we've received from Census. The result is some 8000+ graphs and tables of import statistics of 201-products. We particularly like the graphs, as they show the import trend over time (green is Census data, the yellow is data from the licensing system).

On occasion we spot a huge import spike in the data. Our next step is to track down the source—at which point you might get an email from the steel licensing team inquiring about a particular license. With your help 99% of the time we're able resolve typographical errors quickly. If you haven't done so recently, take a look at the expanded surge monitor: http://web.ita.doc.gov/License/Surge.nsf/HomePage?OpenForm ❖

US Imports of All 201-Products from World

Graph last modified as of 10/07/2003 with Commerce license data for the last two months through Sept 03.

Surge Monitor Update Schedule

There are two general ways to retrieve import data on the steel licensing website, as follows:
- Census Monthly Charts of US Imports
- Expanded Surge Monitor (incorporating data from both licenses and Census)

The license data on the Expanded Surge Monitor is updated from the license database each Wednesday. The following schedule lists the dates that the Census data is updated on both the Census Monthly Charts and the Expanded Surge Monitor:

Month	Preliminary Data Update	Final Data Update
2003 & 2004 Census Update Schedule*		
August	30-Sep-03	10-Oct-03
September	28-Oct-03	13-Nov-03
October	25-Nov-03	12-Dec-03
November	23-Dec-03	14-Jan-03
December	27-Jan-04	14-Feb-03
January	24-Feb-04	10-Mar-04
February	30-Mar-04	14-Apr-04
March	27-Apr-04	12-May-04
April	25-May-04	11-Jun-04
May	29-Jun-04	13-Jul-04
June	27-Jul-04	13-Aug-04
July	31-Aug-04	10-Sep-04
August	28-Sep-04	14-Oct-04
September	26-Oct-04	10-Nov-04
October	30-Nov-04	14-Dec-04
November	21-Dec-04	12-Jan-05
December	25-Jan-05	10-Feb-05

For further information, please refer to www.census.gov

Troubleshooting Tips

Date Default Difficulties

Recently, a few steel licenses have been filed with the month and date inverted. It seems these licenses were filed on computers that had a setting other than English (United States) as the Regional Option.

One of our users pointed out how to solve this problem. If you begin at **Start** (in the bottom left-hand corner of the computer screen) - **Settings** –**Control Panel** - **Regional Options** (with a globe icon) - within the general tab, select **English (United States)** as your locale, and this seems to set the date in correctly. Please consider taking a moment before filing a license just to see what your Regional Option default is.

Ever received two emails about same license?

This shouldn't happen, but has on a few occasions. It's probably due to hitting the submit key twice in rapid succession. If you do get two emails, please check to see if the license numbers differ. If they do, please CANCEL the lower numbered license and if feasible let us know so we can investigate the cause.

Fun & Fascinating Statistics

Continually updated on: http://web.ita.doc.gov/License/Surge.nsf/Track?OpenForm
As of October 10, 2003:

Number of Registered Users:	2,214
Average Number of Licenses Issued Daily :	859
Total Number of Licenses Issued:	216,609
Number of Licenses Cancelled:	8,549
Number of Licenses Corrected:	3,403
Templates Created:	684

As always, we encourage you to contact us with your ideas and suggestions.

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