



January 21, 2022

Secretary Gina Raimondo
U.S. Department of Commerce
Bureau of Industry and Security
1400 Constitution Avenue NW
Washington, DC 20230

Attn Mark Crace, IC Liaison

**Re: OMB Control Number 0694-0139; Procedures for Submitting
Requests for Exclusions from the Section 232 National Security
Adjustments of Imports of Steel and Aluminum**

Dear Secretary Raimondo:

Magellan Corporation appreciates the opportunity to comment on the November 22, 2021 Federal Register notice entitled *Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Procedures for Submitting Request for Exclusions from the Section 232 National Security Adjustments of Imports of Steel and Aluminum* and referenced as OMB Control Number 0694-1039. These comments are timely as they are submitted by the January 21, 2022 deadline established in the notice. While Magellan's comments are brief in nature, Magellan believes that these comments propose important modifications to the 232 procedures which would improve the quality, clarity and utility of the exclusion requests and thus facilitate a full, fair and open exclusion process.

I. Background and Introduction

Magellan Corporation ("Magellan") is a leading independent global distributor of high-quality specialty steel and other metallurgical products. Established in 1985,



Magellan is a United States company headquartered in Illinois. Through its long term, close relationships with world class steel mills around the globe, Magellan has facilitated American manufacturing for more than three decades by providing a consistent and stable source of high-quality steel from reliable sources. Magellan is also a major purchaser of American made steel, distributing the supply from domestic manufacturers around the country. Since 2018, Magellan's customers have been compelled to pay, through the form of higher prices, the tariffs imposed pursuant to Section 232 in connection with its importation of steel manufactured outside the United States.

Magellan's business has been significantly harmed by the imposition of additional tariffs and quotas on special bar quality ("SBQ") steel pursuant to the Department of Commerce's Section 232 action, *"Adjusting Imports of Steel into the United States."* 83 Fed. Reg. 25857. Such steel is not readily available in the United States and thus should qualify for exclusions. However, due to the inconsistent and disparate treatment of exclusion requests filed with the Department, Magellan has not received the exclusions that, under the facts, should have issued. As discussed further below, such result, at least in part, may relate to the quality, clarity and utility of the current exclusion requests, and could the process could be improved by an additional data point.

In the November 22nd notice, the Department requested that the commentors address the following issues with respect to exclusion requests:

- Whether the proposed information collection is necessary for the proper functions of the Department and whether such information will have practical utility;
- Whether the Department's estimate of the time and cost burden for the collection of the information to be submitted to the Department was accurate;
- Whether they are ways to enhance the quality, utility, and clarity of the information to be collected; and
- Whether there are ways to minimize the reporting burden.



Each of these will be addressed in turn.

III. Response to Specific Questions

- **Is the proposed information collection necessary for the proper functions of the Department and whether such information will have practical utility?**

The information collected in the exclusion requests is necessary for the proper function of the Department and such information has practical utility. The exclusion request process should not be political in nature and should be based on facts as reflected in the exclusion request. With the limited modification discussed below, gathering the necessary exclusion information will facilitate the proper granting of exclusions. Accordingly, such information has practical utility as without such information, the Department's determinations would be based on unsupported speculation.

- **Was the Department's estimate of the time and cost burden for the collection of the exclusion requests accurate**

Magellan expresses no opinion on the Department's estimate of the time and cost burden for the collection of exclusion requests. Each requestor maintains its records in its own fashion and the time and cost of extracting information from such records thus greatly varies from entity to entity.

- **Should the Department adjust the information collected to enhance the quality, utility, and clarity of the exclusion requests**

Magellan submits that the Department should adjust the information being collected to enhance the quality, utility, and clarity of the exclusion requests. Specifically, the exclusion request form should include a question expressly requesting that the requestor identify any exclusion requests for similar or identical merchandise granted during the previous 6 months. In order for the exclusion process to work properly, the Department must be consistent. The Department should not deny requests for exclusions for a particular product when the Department has recently granted exclusion requests for a similar product. In Magellan's experience, the Department has not always taken the



existence of other granted exclusions into account, and has denied exclusion requests for product identical to contemporaneous granted exclusion requests. Such denials may have been inadvertent and resulted from the Department not being aware of the other granted exclusions. By expressly requesting such information, the Department will then have the data that it needs for this decision, and critically, it will also highlight the importance of this information to the Department, ensuring that it is reviewed.

Magellan submits that a modification to the data collected in an exclusion request which ensures that full and complete information to the Department means that:

The quality of the data is improved in that providing the existence of granted exclusion requests for the same product will ensure that such critical fact is not overlooked. Data which produces a more consistent result is necessarily higher quality data.

The utility of the data is improved. Rather than the Department creating a convoluted system where such identical requests are identified, the burden shifts to the requestor to affirmatively state the existence of such identical exclusions. This means that the data has a higher degree of utility, as if such identical requests are not identified, the Department does not need to consider this factor.

The clarity of the data is improved. By requiring an affirmative statement in the exclusion request, it is clearly established whether or not, the Department has previously granted similar exclusions.

In sum, this single small change will result in a significant improvement in the exclusion request data.

- **Adding a request to report other exclusions minimizes the reporting burden.**

Magellan submits that its proposed addition to the exclusion request form of a field requesting the identification of granted exclusions for similar product would minimize the reporting burden. By adding this field to the form, the requestor would know exactly where the information should be provided and, critically, the Department would also know exactly where such data would be provided facilitating review. Providing a clear and




identified location for the provision of such information reduces the reporting burden by clarifying what must be provided and sets for the format in which such information must be provided.

IV. Conclusion

In conclusion, Magellan submits that the current exclusion information being collected by the Department needs to be slightly adjusted. The Department should modify the exclusion request form by adding a field to the form requesting the identification, if known, of any granted exclusion within the last six months for similar merchandise. By improving the quality, clarity, and utility of the exclusion requests, the Department will ensure that the exclusion process will be full, fair and open,

Thank you for your consideration of these comments.

Respectfully,



Keith Weiss

Chief Financial Officer

On behalf of Magellan Corporation