

AMERICAN WIRE PRODUCERS ASSOCIATION

November 27, 2023

Julie Al-Saadawi
Director, Industrial Monitoring and Analysis Unit
International Trade Administration
U.S. Department of Commerce
Constitution Avenue and 14th Street, NW
Washington, DC 20230

Re: Steel Import Monitoring and Analysis (SIMA) System —
Comments on Proposed and Continuing Information Collections
(88 Fed. Reg. 65,951 (September 26, 2023))

Dear Ms. Al-Saadawi:

On behalf of the American Wire Producers Association (“AWPA”), we respectfully submit these comments on the proposed and continuing information collections with respect to the Steel Import Monitoring and Analysis (“SIMA”) System.

These comments address the following aspects of the SIMA System which are highlighted in the notice of the U.S. Department of Commerce (“Commerce”): (a) the practical utility of the information collected by the SIMA System and (b) the enhancement of the quality and utility of the information. *Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Steel Import License, 88 Fed. Reg. 65,951 (September 26, 2023) at 65,952.*

Since the inception of the SIMA System, the AWPA has endorsed the utility and importance of this important program. The SIMA System – which already covers carbon, stainless, and other alloy steel drawn wire – has provided U.S. wire companies with accurate and timely information on anticipated imports of these products, enabling them to better understand and evaluate current and future market conditions. However, the omission of steel wire products from the SIMA System prevents U.S. wire manufacturers (who account for the majority of domestic production of steel wire products) from monitoring in real time and responding promptly to import flows of these products – especially to surges of unfairly traded imports.

Accordingly, the AWPA urges Commerce to extend coverage to include several categories of critical steel wire products. These are:

(1) Steel wire strand, rope, and cable	HTS 7312.10
(2) Barbed wire	HTS 7313.00
(3) Carbon steel woven wire cloth	HTS 7314.12
(4) Stainless steel woven cloth	HTS 7314.14
(5) Welded steel wire grill, netting, and fencing	HTS 7314.20
(6) Welded galvanized steel wire grill, netting, and fencing	HTS 7314.31
(7) Steel wire nails and staples	HTS 7317.00
(8) Steel screws and bolts (threaded rod)	HTS 7318.15
(9) Steel springs	HTS 7320.10
(10) Steel wire garment hangers	HTS 7326.20

The members of the AWPA submit that coverage of wire products is essential to the effectiveness and integrity of the SIMA System and that inclusion of these products will improve the utility and effectiveness of the program. Notably, these wire products are generally produced by the same U.S. manufacturers that produce drawn wire, which is already covered by the SIMA System. As noted below, these wire products are often imported by the same companies that import steel wire and, therefore, these importers are familiar with the SIMA licensing process.

Although these steel wire products are classified in Chapter 73 of the *Harmonized Tariff Schedule of the United States* (“HTSUS”), we note that a number of steel products classified in Chapter 73 are already included in the SIMA System. These include the following SIMA product groups:

- carbon and alloy steel sheet piling (Product Group 11);
- carbon and alloy steel standard rails (Product Group 16);
- carbon and alloy steel all other rails (Product Group 17);
- carbon and alloy steel railroad accessories (Product Group 18);
- carbon and alloy steel standard pipe (Product Group 27);
- stainless steel oil country goods (Product Group 28);
- carbon and alloy oil country goods (Product Group 29);
- stainless steel line pipe (Product Group 30);
- carbon and alloy steel line pipe which is less than or equal to 16 inches in diameter (Product Group 31);
- carbon and alloy steel line pipe not specified (Product Group 32);
- carbon and alloy steel line pipe which is greater than 16 inches in diameter (Product Group 33);
- carbon and alloy steel mechanical tubing (Product Group 34);

- carbon and alloy steel pressure tubing (Product Group 35);
- stainless steel pipe and tubing (Product Group 36);
- carbon and alloy steel pipe and tubing not classified (Product Group 37);
- carbon and alloy steel structural pipe and tube (Product Group 38);
- stainless steel structural pipe and tube (Product Group 39);
- carbon and alloy steel pipe for piling (Product Group 40); and
- carbon and alloy steel other rail products (Product Group 58).

Thus, the ten product categories or groups of steel wire products are substantially less than the 16 product groups for steel pipe products, which are likewise classified in Chapter 73 of the HTSUS and which are included in SIMA coverage.

The AWPAs also submit that the addition of these wire products to the SIMA system would not impose any significant additional burden on importers. There are no fees for an importer to register for a company-specific steel license, and there is no cost to file for a license. See 19 C.F.R Part 360; *Steel Import and Monitoring Analysis System: Proposed Rule*, 77 Fed. Reg. 67,593 (November 13, 2012). The application process is not burdensome because the requisite information for an application is available to U.S. importers on the mill test certificates (“MTCs”) provided by the foreign producer or exporter. Further, the licensing process does not affect the processing of imports at the border, and there are also no duty consequences to including wire products in SIMA coverage.

Moreover, many importers of steel wire products are familiar with the current SIMA system because they are most likely also dealing with imports of steel wire – as well as other covered steel products – from many of the same foreign producers and exporters who supply wire products. Finally, any additional burden would be limited by reason of the SIMA System's automatic procedure wherein more than 99 percent of customs filings are handled electronically.

Product coverage of the SIMA System has been repeatedly updated and expanded since its inception in 2005. For example, as of October 2020, Commerce required that licensees report the country of melt and pour of all imported steel products. *Steel Import Monitoring and Analysis System*, 85 Fed. Reg. 56,162 (September 11, 2020) (“*SIMA Final Rule*”) at 56,166 and 56,171. At the same time, Commerce increased the number of steel products covered by the SIMA System, including certain steel rails and railway construction material classified in Chapter 73 of the HTSUS. *Id.* at 56,165. See *Modification of Regulations Regarding the Steel Import Monitoring and Analysis System*, 85 Fed. Reg. 17,515, 17,520

(March 30, 2020). In addition, Commerce created three new product groups for steel line pipe. *SIMA Final Rule* at 56,165. At that time, Commerce observed: “The public SIMA monitor provides valuable data regarding certain steel mill imports into the United States as early as possible and makes such data available to the public approximately five weeks in advance of official U.S. import statistics compiled by the United States Census Bureau.” *Id.* at 56,163. It is for these reasons that the AWPAs respectfully urges that steel wire products be included in the product groups subject to license applications.

As Commerce explained during its earlier modifications of the SIMA program in 2004 and 2005, “in order to improve the usefulness of the current system, the Department is modifying the system’s product coverage to make it more closely correspond to other important publicly available steel trade data by expanding the system to cover basic steel mill products.” *Steel Import Monitoring and Analysis System: Interim Final Rule*, 70 Fed. Reg. 12,133, 12,134 (March 11, 2005). Although wire products are not formally classified as “basic steel mill products,” they are nevertheless included in the same “important publicly available steel trade data” to which Commerce referred. For example, the authoritative monthly reports on “Imports of Steel Mill Products” by the American Iron and Steel Institute (“AISI”) include several categories of steel wire products, including:

- (a) wire rope (product category 46);
- (b) wire strand (product category 47);
- (c) wire springs (product category 48);
- (d) woven wire fabric (product category 49);
- (e) grill, netting and fencing (product category 50);
- (f) nails and staples (product category 51);
- (g) barbed wire (product category 52); and
- (h) industrial fasteners (product category 54).

Similarly, the AISI monthly reports on “Exports of Steel Mill Products” cover these same wire products. The AISI Annual Statistical Reports likewise include wire products in their tables on “Imports of Iron and Steel Products” and “Exports of Iron and Steel Products.”

Finally, of particular significance for Commerce’s consideration is the current number of antidumping (“AD”) and countervailing duty (“CVD”) orders on steel wire products:

<u>WIRE PRODUCT</u>	<u>COUNTRY</u>	<u>TYPE OF ORDER</u>	<u>DATE OF ORDER</u>
Steel Nails			
	China	AD	August 1, 2008
	UAE	AD	May 10, 2011
	Korea	AD	July 13, 2015
	Malaysia	AD	July 13, 2015
	Oman	AD	July 13, 2015
	Taiwan	AD	July 13, 2015
	Vietnam	AD	July 13, 2015
	Vietnam	CVD	July 14, 2015
Steel Wire Garment Hangers			
	China	AD	October 6, 2008
	Taiwan	AD	December 10, 2012
	Vietnam	AD	February 5, 2013
	Vietnam	CVD	February 5, 2013
Wire Shelving			
	China	AD	September 14, 2009
	China	CVD	September 14, 2009
Prestressed Concrete Steel Wire Strand			
	China	AD	June 29, 2010
	China	CVD	July 7, 2010
	Argentina	AD	February 1, 2021
	Brazil	AD	January 28, 2004
	Colombia	AD	February 1, 2021
	Egypt	AD	February 1, 2021
	India	AD	January 28, 2004
	India	CVD	February 4, 2004
	Indonesia	AD	June 4, 2021
	Italy	AD	June 4, 2021
	Japan	AD	December 8, 1978
	Korea	AD	January 28, 2004
	Malaysia	AD	June 4, 2021
	Mexico	AD	January 28, 2004
	Netherlands	AD	February 1, 2021
	Saudi Arabia	AD	February 1, 2021
	South Africa	AD	June 4, 2021
	Spain	AD	June 4, 2021

<u>WIRE PRODUCT</u>	<u>COUNTRY</u>	<u>TYPE OF ORDER</u>	<u>DATE OF ORDER</u>
	Taiwan	AD	February 1, 2021
	Thailand	AD	January 28, 2004
	Tunisia	AD	June 4, 2021
	Turkey	AD	February 1, 2021
	Turkey	CVD	February 3, 2021
	Ukraine	AD	June 4, 2021
	UAE	AD	February 1, 2021
Steel Threaded Rod			
	China (carbon steel)	AD	April 14, 2009
	China (alloy steel)	AD	April 9, 2020
	China	CVD	April 9, 2020
	India	AD	April 9, 2020
	India	CVD	April 9, 2020
	Taiwan	AD	February 5, 2020
	Thailand	AD	December 13, 2019
Steel Grating			
	China	AD	July 23, 2010
	China	CVD	July 23, 2010
Steel Wire Mesh			
	Mexico	AD	August 9, 2021
	Mexico	CVD	April 12, 2021

The existence of numerous orders on unfairly traded or subsidized steel wire products underscores the importance of obtaining timely and accurate information about current and future importations of these steel products.

For products already covered, the SIMA System enables U.S. industries to track imports more effectively and identify at an earlier date any alterations in import sourcing, quantities, and trends that may indicate circumvention of AD/CVD orders through transshipment or other duty-evasion schemes. Such advance notice enhances enforcement of antidumping and countervailing duty orders because U.S. industries are able to notify CBP of possible instances of evasion before the merchandise reaches U.S. ports. In this way, affected U.S. industries can identify and analyze shifts in sourcing that may indicate an attempt to evade the assessment and payment of lawful duties. We submit that these benefits of the SIMA system also should be available to U.S. producers of steel wire products.

The members of the AWPA have found the SIMA System to be an effective means of monitoring and analyzing imports of steel wire as well as imports of steel wire rod. The AWPA believes that the SIMA System will be materially improved by extending its coverage to the steel wire products listed at the beginning of these comments. With this modification, the SIMA System will provide the intended "early warning" of changes in import trends, volumes, and/or sources and allow American wire producers to react more quickly and meaningfully to import changes. Access to this timely and reliable information from the SIMA System will be invaluable to our sector of the American steel industry which competes every day in the global steel market.

The AWPA is grateful for Commerce's consideration of our request to further improve the SIMA System through the addition of steel wire products.

Please do not hesitate to contact Emily Bardach, Executive Director of the American Wire Producers Association if you have any questions or require further information. Emily can be reached at ebardach@awpa.org or 202-868-6798.

Very truly yours,

Timothy Becker

Timothy Becker
President, Hickory Springs Mfg.
President, American Wire Producers Association