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April 24, 2024

Seth D. Renkema
Branch Chief, Economic Impact Analysis Branch
U.S. Customs and Border
Protection Washington, DC 20229

RE: Request for Comments on Proposed Revision to Entry Summary (Form 7501)

Dear Mr. Renkema:

In response to a request from U.S. Customs and Border Protection (CBP),¹ the American Iron and Steel Institute (AISI), on behalf of its producer member companies, hereby submits comments on the proposed revision to CBP Form 7501 to collect information on the country where the steel used in the manufacture of imported steel products was melted and poured.

AISI continues to strongly support the proposed revision to CBP Form 7501 to align CBP's reporting requirements with the Commerce Department's existing reporting requirements regarding the country of melt and pour under the Steel Import Monitoring and Analysis (SIMA) system. The current SIMA system requires steel import license applications to identify the country of origin of steel product imports as well as the country where steel used to make the steel products was melted and poured.

In the steel industry, steel is "melted and poured" where raw steel is first produced in a steelmaking furnace in a liquid state and then poured into its first solid shape, either a semi-finished or a finished steel product. Steel that is melted and poured in one country may then be shipped to a second country for further processing into another steel product. In some cases, that resulting steel product may be shipped to yet another country or countries for additional processing. Depending on the degree of further processing that takes place in the second (or subsequent) location, this later processing may be sufficient to constitute a substantial transformation of the steel product for customs purposes, making the country of further processing the country

¹Agency Information Collection Activities; Revision; Entry Summary (CBP Form 7501), Federal Register Volume 89, Number 58 (Department of Homeland Security), March 25, 2024.

of origin of the steel product under U.S. customs law. It is this last country, where significant processing or finishing of the steel product takes place, that is currently identified in the official U.S. import data published by the Census Bureau.

As we stated in our 2023 comments in favor of CBP's proposed change, identification of where the steel is originally melted and poured is critical to understanding steel trade and addressing transshipment issues, as a very significant share of the cost of producing steel products occurs in the initial melting and pouring process where the raw steel is made. This stage of production requires very substantial investments in steelmaking equipment and accounts for a substantial share of the total employment in the industry. Thus, from an economic perspective, often the largest value added in the production of steel products is made where the steel is melted and poured, not where the final processing may occur.

While the Commerce Department steel import licensing application currently requires the listing of the country of melt and pour for steel products, there are only limited available mechanisms to ensure that importers properly report this information for purposes of the SIMA import licensing system. By contrast, the failure of an importer to properly report the country of melt and pour on CBP Form 7501 would subject an importer to potential penalties and legal action under U.S. customs laws, which can result in much more serious consequences for violators of these laws. Thus, requiring this information on CBP Form 7501 should greatly increase the ability of the U.S. government to ensure that accurate and complete country of melt and pour information is made available to the appropriate authorities. Additionally, requiring the reporting of country of melt and pour information will not impose any significant burden on importers, as the location of melt and pour is customarily identified on mill test certificates that are commonplace in steel production throughout the world.

This country of melt and pour information will be particularly valuable in addressing efforts by foreign producers and exporters to circumvent and evade U.S. antidumping and countervailing duty laws, as well as to enforce other trade measures, including measures imposed pursuant to Section 232 of the Trade Expansion Act of 1962. For example, tariff rate quotas (TRQs) established pursuant to Section 232 for products of the European Union, Japan and the United Kingdom require that the benefits of those TRQs be provided only to steel products that are melted and poured in those respective jurisdictions. In short, our position has not changed: We believe it is critical for proper trade law enforcement that information regarding the country of melt and pour for steel products be collected on CBP Form 7501.

Thank you for the opportunity to provide these comments on the proposed revision to CBP Form 7501 and for your continued efforts to fully enforce U.S. laws

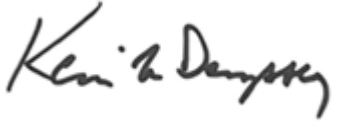
Mr. Seth D. Renkema

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disciplining foreign unfair trade practices and U.S. laws regulating imports for national security purposes.

Sincerely,

A handwritten signature in black ink, reading "Kevin M. Dempsey". The signature is written in a cursive, flowing style. The first name "Kevin" is written with a large, prominent "K". The last name "Dempsey" is written with a large, prominent "D". The signature is enclosed in a thin black rectangular border.

Kevin M. Dempsey
President and Chief Executive Officer