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DEPARTMENT OF COMMERCE

International Trade Administration

19 CFR Part 360

RIN 0625-AB09

Steel Import Monitoring and Analysis System

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

ACTION: Final rule.

SUMMARY: The Department of Commerce (the Department) is extending the Steel Import Monitoring and Analysis (SIMA) system until March 21, 2022. The purpose of the SIMA system is to provide to the public statistical data on steel imports entering the United States roughly five weeks earlier than it would otherwise be available. Aggregate data collected from the steel import licenses are made available to the public on a weekly basis following review by the Department.

DATES: Effective March 21, 2017.

FOR FURTHER INFORMATION CONTACT: For information about the SIMA system, please contact Julie Al-Saadawi (202) 482-1930 or Michael Rollin (202) 482-4978.

SUPPLEMENTARY INFORMATION:

Background

The SIMA system has operated under its current authority since March 21, 2005. Prior to that date, authority for steel import licensing and monitoring was derived from Proclamation

7529 of March 5, 2002 (67 FR 10553). Pursuant to sections 201 and 203 of the 1974 Trade Act, 19 U.S.C. 2251, 2253, Proclamation 7529 implemented safeguard measures with respect to certain imported steel products, placing temporary tariffs on these steel imports and providing the steel industry time to restructure. The monitoring system outlined in Proclamation 7529 required all importers of steel products to obtain a license from the Department prior to completing their customs entry summary documentation. This provided a monitoring tool to ensure that the effectiveness of the steel safeguard measures was not undermined by large quantities of imports originating from countries that were excluded from the tariffs.

In Proclamation 7741 of December 4, 2003 (68 FR 68483), the President terminated the steel safeguard measures, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary of Commerce established a replacement program. On December 9, 2003, the Department published a notice stating that the system would continue in effect as described in Proclamation 7741 until March 21, 2005 (68 FR 68594). On August 25, 2004, the Department published an advance notice of proposed rulemaking soliciting comments from the public on whether to continue the monitoring system beyond March 21, 2005 (69 FR 52211). The Department changed the program's name from the Steel Import Licensing and Surge Monitoring program to the Steel Import Monitoring and Analysis (SIMA) system. The name change was notified in the publication of the August 2004 advance notice (69 FR 52211). On March 11, 2005, the Department published an interim final rule responding to the comments received from the public and implementing a slightly expanded version of SIMA until March 21, 2009. That interim final rule was followed by the publication of the final rule on December 5, 2005 (70 FR 72373).

On December 12, 2008, a proposed rule was published in the Federal Register (73 FR 75624) seeking an extension of the SIMA system through March 21, 2013 and asking for comments from the public. The Department received twelve submissions, all of which expressed support for the extension. On March 18, 2009, the Department issued the final rule (74 FR 11474) to extend the application of the SIMA system until March 21, 2013. On November 13, 2012 (77 FR 67593), the Department published a proposed rule seeking comments on an extension of the SIMA system through March 21, 2017. The Department received three submissions, all of which expressed support for the extension. The Department issued the final rule to extend the application of the SIMA system until March 21, 2017 (78 FR 11090). On October 13, 2016, the Department published a proposed rule seeking comments on an extension of the SIMA system through March 21, 2022 (81 FR 70650). The Department received two submissions, both of which expressed support for the extension. The Department is issuing this final rule to extend the application of the SIMA system until March 21, 2022. The sole change included in this final rule was extending the program's lifespan to five years (the program's previous lifespan was four years – at which time an extension of the program must be proposed).

The purpose of the SIMA system is to provide steel producers, steel consumers, importers, and the general public with accurate and timely information on anticipated imports of certain steel products. Import licenses, obtained through the Internet-based SIMA licensing system, are required for U.S. imports of basic steel mill products. Aggregate import data obtained from the licenses are updated weekly and posted on the SIMA Web site monitor. Details of the current system can be found at <http://enforcement.trade.gov/steel/license/>.

Response to Comments

Submissions received during the public comment period established in the proposed rule have been considered in preparing this final rule. Two submissions were received, one from a coalition of nine steel trade groups (referred to as the “industry”), and one from a large steel-producing company in the United States, AK Steel Corporation. Both of the submissions supported the five-year extension and agreed that the system is a critical tool that helps the industry closely monitor steel imports. The comments are summarized below. The two submissions received are posted on the Federal rulemaking portal at www.Regulations.gov as well as on the SIMA Web site at <http://enforcement.trade.gov/steel/license/>.

Comment 1: Commenters strongly support the extension of the SIMA system for an additional five years. They state that given the current global overcapacity in steel that is fueling surges in steel imports, the SIMA system gives the public access to the timeliest information possible regarding import patterns and changes, particularly increases in volumes. They also view the system as an important and transparent tool to support rational decision-making by all interested parties – steel producers, steel consumers, importers and U.S. government officials.

Response: The Department agrees that the SIMA system provides the public valuable and timely information on steel mill imports. The Department also agrees that making aggregate import volume and pricing data drawn from the licenses publicly available provides all interested stakeholders with a more informed understanding of changing market conditions in a transparent manner.

Comment 2: Commenters state that there is no significant burden on the steel importing community to comply with the licensing requirements of the SIMA system, and that this has been confirmed over the last 12 years in its current format, which remains unchanged by the proposed rule.

Response: The Department agrees that there is no significant burden on steel importers arising out of SIMA system licensing requirements. The web-based licensing system is automatic and free of charge. The Department estimates that it continues to take no longer than ten minutes to complete the automated license form, and for most applicants, the time spent is much less.

Comment 3: Commenters suggest that the Department make the SIMA system permanent rather than extend it for another five years. They state that the system has proven its effectiveness as an important analytical tool for both steel producers and consumers.

Response: Broad authority to collect information on imports is granted to the Secretary of Commerce and delegated to the Director of the Bureau of the Census. When the original safeguard authority for the SIMA system granted by the President expired in March 2005, the system was continued pursuant to this Department of Commerce information collection authority (13 U.S.C. 301(a) and 302). For purposes of administering the SIMA system, this authority was temporarily transferred from the Director of the Census Bureau to the Under Secretary for International Trade for four years. One of the conditions of the temporary transfer of authority to the Under Secretary for International Trade was that any future periodic extension of the SIMA system be notified to the Secretary and subject to review. Therefore, establishment of a permanent system is not possible under current authority.

For the reasons discussed above, the proposed rule (19 CFR part 360) is made final without changes.

Classification

Executive Order 12866

This rule has been determined to be not significant for purposes of Executive Order 12866.

Executive Order 13132

This rule does not contain policies with federalism implications as that term is defined in Executive Order 13132.

Regulatory Flexibility Act. The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration at the proposed rule stage, that this rule, if adopted, would not have a significant economic impact on a substantial number of small entities as that term is defined in the Regulatory Flexibility Act, 5 U.S.C. 601 et seq. The factual basis for the certification is found in the proposed rule and is not repeated here. No comments were received on the certification or the economic impacts of this action. As a result, no final regulatory flexibility analysis is required and none was prepared.

Paperwork Reduction Act

This final rule contains collection-of-information requirements subject to review and approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA). These requirements have been approved by OMB (OMB No. 0625-0245; Expiration Date: 1/31/2018). Public reporting for this collection of information is estimated to be less than ten minutes per response, including the time for reviewing instructions and completing and reviewing the collection of information. All responses to this collection of information are voluntary, and will be provided confidentially to the extent allowed by law.

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject

to the Paperwork Reduction Act unless that collection displays a currently valid OMB Control Number.

List of Subjects in 19 CFR Part 360

Administrative practice and procedure, Business and industry, Imports, Reporting and recordkeeping requirements, Steel.

Paul Piquado
Assistant Secretary for
Enforcement & Compliance

December 23, 2016

Date

For reasons discussed in the preamble, 19 CFR part 360 is amended as follows:

PART 360--STEEL IMPORT MONITORING AND ANALYSIS SYSTEM

1. The authority citation for part 360 continues to read as follows:

Authority: 13 U.S.C. 301(a) and 302.

2. Section 360.105 is revised to read as follows:

§ 360.105 Duration of the steel import licensing requirement.

The licensing program will be in effect through March 21, 2022, but may be extended upon review and notification in the Federal Register prior to this expiration date. Licenses will be required on all subject imports entered during this period, even if the entry summary documents are not filed until after the expiration of this program. The licenses will be valid for 10 business days after the expiration of this program to allow for the final filing of required Customs documentation.

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