



ADJUSTING IMPORTS OF STEEL INTO THE UNITED STATES

10064

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. On January 11, 2018, the Secretary of Commerce (Secretary) transmitted to me a report on his investigation into the effect of imports of steel mill articles (steel articles) on the national security of the United States under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862). The Secretary found and advised me of his opinion that steel articles were being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States.

2. In Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel Into the United States), I concurred in the Secretary's finding that steel articles, as defined in clause 1 of Proclamation 9705, as amended by clause 8 of Proclamation 9711 of March 22, 2018 (Adjusting Imports of Steel Into the United States), were being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States, and decided to adjust the imports of these steel articles by imposing a

25 percent ad valorem tariff on such articles imported from most countries.

3. In Proclamation 9705, I further stated that any country with which we have a security relationship is welcome to discuss with the United States alternative ways to address the threatened impairment of the national security caused by imports from that country, and noted that, should the United States and any such country arrive at a satisfactory alternative means to address the threat to the national security such that I determine that imports from that country no longer threaten to impair the national security, I may remove or modify the restriction on steel article imports from that country and, if necessary, adjust the tariff as it applies to other countries, as the national security interests of the United States require.

4. In Proclamation 9740 of April 30, 2018 (Adjusting Imports of Steel Into the United States), I noted that the United States had agreed in principle with the Federative Republic of Brazil (Brazil) on satisfactory alternative means to address the threatened impairment to our national security posed by steel articles imported from Brazil. In Proclamation 9759 of May 31, 2018 (Adjusting Imports of Steel Into the United States), I noted that the United States had agreed on measures with Brazil that would provide effective, long-term alternative means to address Brazil's contribution to the

threatened impairment to our national security. These included quantitative limitations that restrict the volume of steel articles imported into the United States from Brazil. In light of these agreed-upon measures, I determined that steel article imports from Brazil would no longer threaten to impair the national security and decided to exclude Brazil from the tariff proclaimed in Proclamation 9705, as amended. I further noted that the United States would monitor the implementation and effectiveness of those measures to address our national security needs.

5. In Proclamation 9759, I also directed the Secretary to monitor implementation of quantitative limitations applicable to steel article imports from Brazil and inform me of any circumstance that in the Secretary's opinion might indicate that an adjustment of the quantitative limitations is necessary.

6. The Secretary has advised me that there have been significant changes in the United States steel market since the time I decided to exclude, on a long-term basis, Brazil from the tariff proclaimed in Proclamation 9705, as amended. The United States steel market has contracted in 2020. After increasing in 2018 and 2019, steel shipments by domestic producers through June of this year are approximately 15 percent lower than shipments for the same time period in 2019, with shipments in April and May of this year more than 30 percent

lower than the shipments in the same months in 2019. The Secretary has further advised me that domestic producers' adjusted year-to-date capacity utilization rate through August 15, 2020, is below 70 percent and that the current rate has been near or below 60 percent since the second week of April. Brazil is also the second largest source of steel imports to the United States and the largest source of imports of semi-finished steel products. Moreover, imports from most countries have declined this year in a manner commensurate with this contraction, whereas imports from Brazil have decreased only slightly.

7. In light of these significantly changed market conditions, I have determined that the alternative measures regarding Brazilian steel imports, without any modifications, will be ineffective in eliminating the threat to the national security posed by imports of such articles, in the current environment. The United States and Brazil have held consultations regarding Brazil's steel exports to the United States. As a result of these discussions, the United States will lower, for the remainder of 2020, one of the quantitative limitations set forth in Proclamation 9759 applicable to certain steel articles imported from Brazil. In my judgment, this modification will preserve the effectiveness of the alternative means to address the threatened

impairment to our national security by further restraining steel article exports to the United States from Brazil during this period of market contraction. In light of this modification, I have determined that steel article imports from Brazil will not threaten to impair the national security and thus have decided to continue to exclude Brazil from the tariff proclaimed in Proclamation 9705, as amended. The United States and Brazil will hold further consultations in December 2020 to discuss the state of the steel trade between the two countries in light of then-prevailing market conditions.

8. I have been informed that a reduction in this quantitative limitation set forth in Proclamation 9759 applicable to certain steel article imports from Brazil may delay or disrupt specific production activities in the United States for which imports of the steel articles covered by the quantitative limitation have already been contracted for delivery in the fourth quarter of this year. In light of these circumstances, and after considering the impact on the economy and the national security objectives of section 232 of the Trade Expansion Act of 1962, as amended, I have determined to direct the Secretary to provide relief from the quantitative limitation set forth in this proclamation in certain limited circumstances specified in more detail below, in addition to the relief from the quantitative limitations that the Secretary is already

authorized to provide pursuant to clause 1 of Proclamation 9777 of August 29, 2018 (Adjusting Imports of Steel Into the United States).

9. Section 232 of the Trade Expansion Act of 1962, as amended, authorizes the President to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security of the United States.

10. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTSUS) the substance of statutes affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States of America, including section 232 of the Trade Expansion Act of 1962, as amended, section 301 of title 3, United States Code, and section 604 of the Trade Act of 1974, as amended, do hereby proclaim as follows:

(1) For purposes of administering the quantitative limitation applicable to subheading 9903.80.57 of subchapter III

of chapter 99 of the HTSUS for Brazil, the annual aggregate limit for Brazil set out in the Annex to this proclamation shall apply for calendar year 2020. This aggregate limit, which shall take into account all steel article imports from Brazil covered by this subheading since January 1, 2020, shall be effective for steel articles entered for consumption, or withdrawn from warehouse for consumption, under this subheading, between August 28, 2020 and December 31, 2020. For calendar year 2021 and for subsequent years, the annual aggregate limit for Brazil shall revert to the aggregate limit for Brazil set forth in the Annex to Proclamation 9759, unless that limit is further modified or terminated.

(2) The Secretary shall, on an expedited basis, grant relief from the quantitative limitation applicable to subheading 9903.80.57 of subchapter III of chapter 99 of the HTSUS for Brazil, as set out in the Annex to this proclamation, for any steel article where (i) the party requesting relief entered into a contract or other written agreement for the production and shipment of such steel article before August 28, 2020; (ii) such agreement specifies the quantity of such steel article that is to be produced and shipped to the United States prior to December 31, 2020; (iii) such steel article is to be used in production activities in the United States and such steel article cannot be procured from another supplier to meet the

delivery schedule and specifications contained in such agreement; and (iv) lack of relief from the quantitative limitation on such steel article would significantly disrupt the production activity in the United States for which the steel article specified in such agreement is intended. The volume of imports for which the Secretary grants relief under this clause shall not exceed 60,000,000 kilograms in the aggregate.

(3) The Secretary shall grant relief under clause 2 of this proclamation only upon receipt of a sworn statement signed by the chief executive officer and the chief legal officer of the party requesting relief, attesting that (i) the steel article for which relief is sought and the associated contract or other written agreement meet the criteria for relief set forth in clause 2(i) through (iv) of this proclamation; (ii) the party requesting relief will accurately report to U.S. Customs and Border Protection (CBP), in the manner that CBP prescribes, the quantity of steel articles entered for consumption, or withdrawn from warehouse for consumption, pursuant to any grant of relief; and (iii) the quantity of steel articles entered pursuant to a grant of relief will not exceed the quantity for which the Secretary has granted relief. The Secretary shall notify CBP of any grant of relief made pursuant to this proclamation. The Secretary shall revoke any grant of relief under clause 2 of this proclamation if the Secretary determines

at any time after such grant that the criteria for relief have not been met and may, if the Secretary deems it appropriate, notify the Attorney General of the facts that led to such revocation.

(4) As soon as practicable, the Secretary shall issue procedures for the requests for relief described in clauses 2 and 3 of this proclamation. The issuance of such procedures is exempt from Executive Order 13771 of January 30, 2017 (Reducing Regulation and Controlling Regulatory Costs). CBP shall implement relief provided under clause 2 of this proclamation as soon as practicable.

(5) Until such time as the applicable quantitative limitation provided in subheading 9903.80.57 of subchapter III of chapter 99 of the HTSUS for Brazil has been reached, CBP shall count any steel article for which relief is granted under clause 2 of this proclamation toward such quantitative limitation at the time when such steel article is entered for consumption or withdrawn from warehouse for consumption. Any steel article for which relief is granted under clause 2 of this proclamation must be entered for consumption, or withdrawn from warehouse for consumption, on or before December 31, 2020, and, before January 1, 2021, further relief may not be granted for such article by the Secretary under clause 1 of Proclamation 9777. Steel articles for which relief is granted

under clause 2 of this proclamation shall be subject to the duty treatment provided in subheading 9903.80.62 of subchapter III of chapter 99 of the HTSUS for Brazil, as established by the Annex to this proclamation.

(6) Subdivision (a)(iii) of U.S. note 16 to subchapter III of chapter 99 of the HTSUS is amended by striking "9903.80.61" and inserting in its place "9903.80.62".

(7) Subdivision (c) of U.S. note 16 to subchapter III of chapter 99 of the HTSUS is amended by striking, in the last sentence, "and 9903.80.61" and inserting in its place: ", 9903.80.61, and 9903.80.62".

(8) Subdivision (d) of U.S. note 16 to subchapter III of chapter 99 of the HTSUS is amended by striking, in the first sentence, "and 9903.80.61" and inserting in its place: "through 9903.80.62".

(9) The superior text to subheadings 9903.80.05 through 9903.80.58 of subchapter III of chapter 99 of the HTSUS is amended by striking "and 9903.80.61" and inserting in its place: "through 9903.80.62".

(10) To implement clause 2 of this proclamation, subchapter III of chapter 99 of the HTSUS is modified as provided in the Annex to this proclamation.

(11) The modifications to the HTSUS made by clauses 6 through 10 of this proclamation and the Annex to this

proclamation shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on August 28, 2020, and shall continue in effect, unless such actions are expressly reduced, modified, or terminated.

(12) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-eighth day of August, in the year of our Lord two thousand twenty, and of the Independence of the United States of America the two hundred and forty-fifth.

ANNEX

**TO MODIFY CHAPTER 99 OF
THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES**

A. Effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on August 28, 2020, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting the following new subheading 9903.80.62 in numerical sequence with the material in the new tariff provision inserted in the columns labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special”, and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
9903.80.62	<p>“Iron or steel products of Brazil enumerated in U.S. note 16(b)(iv) to this subchapter, each covered by an exclusion granted by the Secretary of Commerce under note 16(c) to this subchapter:</p> <p>Goods subject to a qualifying contract or other written agreement for which relief has been provided from the application of quantitative limitation otherwise imposed in relation to subheading 9903.80.57, provided that such goods shall be counted toward any quantitative limitation proclaimed by the President until such limitation has filled.....</p>	The duty provided in the applicable subheading		

B. For purposes of administering the quantitative limitation applicable to subheading 9903.80.57 with respect to Brazil, the following annual aggregate limit shall apply for calendar year 2020, unless modified or terminated:

BRAZIL

Heading/ Subheading	Article Description	Quantitative Limitation
9903.80.57	<p>Iron or steel products of Brazil enumerated in U.S. note 16(b)(iv) to this subchapter, if entered in the aggregate quantity prescribed in subdivision (e) of such note for the calendar year starting on January 1, 2020 and for any portion thereof as prescribed in such subdivision (e):</p> <p style="padding-left: 40px;">Blooms, billets and slabs, semi-finished, provided for in subheading 7207.11.00, 7207.12.00, 7207.19.00, 7207.20.00 or 7224.90.00 (except for statistical reporting numbers 7224.90.0015, 7224.90.0025, and 7224.90.0035).....</p>	3,155,137,048 kg

[FR Doc. 2020-19595 Filed: 9/1/2020 11:15 am; Publication Date: 9/2/2020]