



**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**19 CFR Part 360**

**Docket Number:** 121016549-2549-01

**RIN:** 0625-AA93

Steel Import Monitoring and Analysis System

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of Commerce publishes this proposed rule to request public comments on proposed modifications to the regulations for the Steel Import Monitoring and Analysis (SIMA) System that would extend the system until March 2017. This extension would continue the Department's ability to track as early as possible certain steel mill imports into the United States and make the import data publicly available approximately seven weeks in advance of the full public trade data release by the Bureau of the Census. Having access to full

information about imports provides the public with greater knowledge to evaluate current market conditions.

**DATES:** Comments must be submitted on or before 5 p.m. EST, [INSERT 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**SUBMISSION OF COMMENTS:**

As specified above, to be assured of consideration, comments must be received no later than 30 days after the publication of this notice in the Federal Register. All comments must be submitted through the Federal eRulemaking Portal at <http://www.regulations.gov>, into Docket Number ITA-2012-0005, unless the commenter does not have access to the Internet. Commenters that do not have access to the Internet may submit the original and two copies of each set of comments by mail or hand delivery/courier. Please address the written comments to the Secretary of Commerce, Attention: Steven Presing, Director for Industry Support and Analysis, Import Administration, Room 2845, Import Administration, U.S. Department of Commerce, Constitution Avenue and 14th Street, N.W., Washington, DC 20230.

The Department will not accept comments accompanied by a request that part or all of the material be treated confidentially because of its business proprietary nature or for any other reason. All comments responding to this notice will be a matter of public record and will be available for inspection at Import Administration's Central Records Unit (Room 7046 of the Herbert C. Hoover Building) and on the Department's Web site at <http://www.trade.gov/ia/>.

Any questions concerning file formatting, document conversion, access on the Internet, or other electronic filing issues should be addressed to Andrew Lee Beller, Import Administration Webmaster, at (202) 482-0866, e-mail address: [webmaster-support@trade.gov](mailto:webmaster-support@trade.gov).

All Personal Identifying Information (for example, name, address, etc.) voluntarily submitted by the commenter may be publicly accessible. Attachments to electronic comments will be accepted in Microsoft Word or Excel, WordPerfect, or Adobe PDF file formats only.

All Federal Register notices regarding the SIMA system can be accessed at

<http://ia.ita.doc.gov/steel/license/SIMA-FR-Notices.html> .

**FOR FURTHER INFORMATION CONTACT:** For information on the SIMA system, please contact Steven Presing (202) 482-1672 or Julie Al-Saadawi (202) 482-1930.

**SUPPLEMENTARY INFORMATION:** On March 2, 2002, the Bush Administration authorized the implementation of a steel import licensing and monitoring program by issuing Proclamation 7529, which placed temporary tariffs on many steel imports and provided 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 of Commerce prior to completing Customs entry summary documentation. This monitoring tool ensured that the effectiveness of the safeguard was not undermined by large quantities of imports originating from countries that were excluded from the tariffs. Pursuant to Proclamation 7529, on December 31, 2002, the Department of Commerce issued final regulations setting forth the “Steel Import Licensing and Surge Monitoring Program” (67 FR 79845).

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 steel import licensing and monitoring system until the earlier of March 21, 2005, or such time as the Secretary of Commerce established a replacement monitoring program. On December 9, 2003 (68 FR 68594), the Department published a notice stating that the monitoring system would continue to be in effect as described in Proclamation 7741 until March 21, 2005. Prior to the

March 21, 2005, termination date, the Department of Commerce determined that there continued to be a need to collect import data, and published an interim rule (70 FR 12136, March 11, 2005) revising part 360 to slightly expand the monitoring program, and a final rule (70 FR 72373, December 5, 2005) continuing the program through March 21, 2009; at this time the system became known as SIMA. On March 18, 2009, the Department of Commerce published a final rule (74 FR 11474) in the *Federal Register* to continue the SIMA system and extend the program until March 21, 2013, unless further extended upon review and notification in the *Federal Register*.

This proposed rule would extend the implementation of the current SIMA system until March 21, 2017. This extension would continue the Department's ability to track certain steel mill imports into the United States and make the import data publicly available approximately seven weeks in advance of the full trade data release.

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 into the United States. Steel import licenses, issued through the online SIMA licensing system, are required by U.S. Customs and Border Protection for filing entry paperwork for imports of certain steel mill products into the United States. Import data collected through the issuance of the licenses are aggregated weekly and posted on the publicly available Steel Mill Import Monitor. Details of the current system and monitor can be found at <http://ia.ita.doc.gov/steel/license/>.

The Department proposes to extend the SIMA system beyond its current expiration date for an additional period of four years, until March 21, 2017 (see 19 CFR part 360). SIMA's renewal is coming at a time when the cyclical nature of the global steel industry is of critical

concern to the domestic markets. As an import sensitive industry, the industry strongly supports this licensing system as it allows the market to monitor import fluctuations, especially those that may be unfairly traded, as early as possible.

All comments responding to this notice will be a matter of public record and available for public inspection and copying on [www.Regulations.gov](http://www.Regulations.gov) and at Import Administration's Central Records Unit, Room 7046, between the hours of 8:30 a.m. and 5 p.m. on business days.

#### Classification

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 that this proposed 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. A summary of the factual basis for this certification is below.

This proposed rule will not have a significant economic impact on a substantial number of companies. This rule, if implemented, would extend the current SIMA system until March 21, 2017. The entities that would be impacted by this rule are importers and brokerage companies who import steel mill products. These entities would be required to obtain steel import licenses through the online SIMA licensing system for filing entry paperwork required by the U.S. Customs and Border Protection for U.S. imports of steel mill products. Based on statistics derived from current license applications, of the approximately 1,600 licenses issued each day, Commerce estimates that fewer than two percent of the licenses would be filed by importers and brokerage companies that would be considered small entities.

Based on the current usage of SIMA, Commerce does not anticipate that the extension of the SIMA system will have a significant economic impact. Companies are already familiar with the licensing of certain steel products under the current system. In most cases, brokerage companies will apply for the license on behalf of the steel importers. Most brokerage companies that are currently involved in filing documentation for importing goods into the United States are accustomed to Customs and Border Protection's automated entry filing systems. Today, more than 99% of the Customs filings are handled electronically. Therefore, the web-based, automated nature of this simple license application should not be a significant obstacle to any firm in completing this requirement. However, should an importer or brokerage company need to register for an account or apply for a license non-electronically, a fax/phone option will be available at Commerce during regular business hours. There is no cost to register for a company-specific steel license account and no cost to file for the license. Each license form is expected to take less than 10 minutes to complete and collects much of the same information required on the Customs entry summary documentation. The steel import license is the only additional U.S. entry requirement that the importers or their representatives must fulfill in order to import each covered steel product shipment.

Although Commerce does not charge for licenses, Commerce estimates that the likely aggregate license costs incurred by small entities in terms of the time to apply for licenses as a result of this proposed rule would be fewer than two percent, or an estimated \$37,151.00, of the estimated total \$1,857,560.00 cost to all steel importers to process the on-line automatic licenses. These calculations were based on an hourly pay rate of \$20.00 multiplied by the estimated 92,878 total annual burden hours. Based on the current patterns of license applications, the vast majority of the licenses are applied for by large companies. The approximate cost of a single

license is less than 10 minutes of the fillers time and this is reduced if applicants use templates or the electronic data interface for multiple licenses.

Paperwork Reduction Act. This proposed 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: 12/31/2014). Public reporting for this collection of information is estimated to be less than 10 minutes per response, including the time for reviewing instructions, and completing and reviewing the collection of information.

Paperwork Reduction Act Data:

OMB Number: 0625-0245.

ITA Number: ITA-4141P.

Type of Review: Regular Submission.

Affected Public: Business or other for-profit.

Estimated Number of Registered Users: 3,500.

Estimated Time per Response: Less than 10 minutes.

Estimated Total Annual Burden Hours: 92,878 hours.

Estimated Total Annual Costs: \$0.00.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number.

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 EO 13132.

List of Subjects in 19 CFR Part 360

Administrative practice and procedure, Business and industry, Imports, Reporting and recordkeeping requirements, Steel. For reasons discussed in the preamble, we propose amending 19 CFR 360 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, 2017, but may be extended upon review and notification in the Federal Register prior to this expiration date. Licenses will be required for 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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Date: November 2, 2012

Francisco J.  
Sanchez,  
Under Secretary  
for International Trade

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