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May 16, 2003

PUBLIC DOCUMENT

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Honorable Deanna Tanner Okun
Chairman
United States International Trade Commission
500 E Street, S.W.
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Re: 332-452; 204-TA-9

Dear Chairman Okun:

On behalf of the Consuming Industries Trade Action Coalition Steel Task Force (CITAC STF), we are writing to address several issues raised in connection with the Section 332(g) investigation on steel-consuming industries and the mid-point review proceeding on the steel safeguard measures. In our view, these proceedings are intimately related and the procedures should not be viewed in isolation.

Some members of Congress have written to request that steel-supplying companies be examined in the 332 investigation. Your response to those letters is precisely correct: the Ways and Means Committee's request for a 332 study did not include steel-supplying companies, but did include steel-consuming industries and U.S. ports and port-dependent industries.

Domestic steel producers fought vigorously to prevent any investigation of the impact of steel safeguard measures on steel-consuming industries, for reasons that they have not articulated publicly. Perhaps it was because the domestic steel producers believe, as we do, that the steel safeguard measures have had significant adverse effects on steel consumers, and public acknowledgement of that fact would damage the case for continuing these measures until 2005. Many more manufacturing jobs will be lost between this year and 2005 if the measures remain in effect

Domestic steel producers are now complaining about the procedures and the scope of the Section 332 investigation. These complaints should be rejected, since it was their unreasonable opposition to any investigation that led to the current procedures. If there had been a cooperative effort to develop a consensus position, the analysis of the impact of the steel safeguards could have been conducted under the Section 204 procedures and the condition of suppliers to steel producers could have been included in the analysis. Now that the proceeding is under way, it seems clear that the opponents of steel consuming industries would attempt to undermine the credibility of the 332 investigation. However, the criticisms of counsel for National and U.S. Steel miss the mark.

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First, we are concerned that the questionnaires in the 332 investigation, and the purchaser questionnaires in the 204 investigation, have only recently been sent out. We are concerned that steel consumers will not have enough time to prepare thorough responses and to have the responses aggregated by parties to the 204 proceeding. In light of this delay, domestic steel producers' request for additional opportunity to comment on the questionnaires simply cannot be accepted.

Second, counsel for U.S. Steel and National Steel accurately note that there is no Administrative Protective Order in the 332 investigation. This is hardly an oversight. The law simply does not provide for administrative protective orders in Section 332 investigations. CITAC STF also is prejudiced by this omission, but there is little that can be done about it. Steel consumers will endeavor to participate in the proceeding through review of available information. We urge the Commission to release publicly all information that is not clearly confidential, so that the interested parties can evaluate and comment on the Commission's findings, reasoning and evidence.

Third, the procedural posture of the 332 investigation cannot be viewed in isolation. The Section 204 investigation is proceeding at the same time and both reports will be presented together to the President. However, separate staff teams within the Commission are conducting them. There is no assurance that the reports will be structured in the same way; nor is there assurance that information obtained in the two investigations will be entirely consistent. Nevertheless, it is entirely appropriate to combine both reports in the same document. It is also appropriate to consider impacts on downstream industries in determining the circumstances surrounding the adjustments of the steel industry under the safeguard measures.

Fourth, the draft questionnaires complained of by counsel for U.S. Steel and National Steel directly address the questions asked of the Commission in the Ways and Means Committee request. That request specifically asks for the consequences of the steel safeguard measures on steel-consuming industries. The draft questionnaires call for exactly that data. The Ways and Means request does not ask the Commission to examine what other factors might be causing injury to U.S. manufacturers. There clearly are other factors; but the questionnaires do not suggest that injury from other factors would be attributed to the safeguard measures.

Fifth, CITAC STF does not believe that "equal time" is appropriate for a fact-finding investigation such as the 332 proceeding. The Commission has asked for all interested persons to participate. Within reasonable limits of time and space, all interested persons should be permitted to participate through testimony or written comment. This is not an import injury investigation and should not be structured as if it were. There is more than sufficient opportunity for all views to be heard and considered regarding the issues at hand in this case: the effects of the safeguard measures on steel-consuming industries and ports; and the effects on steel consuming industries of continuation or termination of the measures at the mid-point review.

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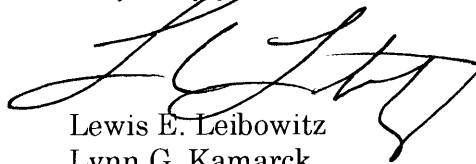
Sixth, it should be noted that the request letter also asked for an economy-wide analysis of the effects of the safeguard measures, including the effects on steel producers. Thus, the request is balanced, especially considered in the context of the mid-point review investigation proceeding concurrently.

Seventh, evidence of downstream industry injury is clearly relevant in the mid-point review investigation. We view Section 204(a)(1)'s mandate to "monitor developments with respect to" the industry receiving relief as a mandate to look at all aspects of the industry and its surrounding environment. If serious or even fatal damage to steel-consuming industries results from safeguard measures, such a fact would clearly be relevant to the ability of the domestic steel industry to make a positive adjustment to import competition. To accept the argument that evidence of downstream economic damage (whatever the cause) is "irrelevant" to the efforts of the industry concerned to make a positive adjustment would make a mid-point review effectively a fantasy. This was not Congress' intent.

The Commission's 332 investigation on the effects of the steel safeguard measures on steel-consuming industries is a part of the process of investigation, not the sole investigation. It is a critically important part, however, because it gives downstream industries the opportunity to be heard concerning the impact of trade-restrictive measures on the nearly 99 percent of American manufacturing workers who are *not* in the steel producing industry.

Because the progress of the 332 investigation is a critical part of the analysis of the steel program, we have filed a copy of this letter in the record of the mid-point review proceeding, Docket No. 204-TA-9.

Very truly yours,



Lewis E. Leibowitz

Lynn G. Kamarck

Counsel to Consuming Industries Trade Action
Coalition Steel Task Force

cc: Honorable Steven Koplan
Honorable Marcia Miller
Honorable Jennifer Hillman

CERTIFICATE OF SERVICE

I, Patricia Koshinski, hereby certify that I served a copy of the foregoing documents on the following interested parties on May 16, 2003, by first class mail.

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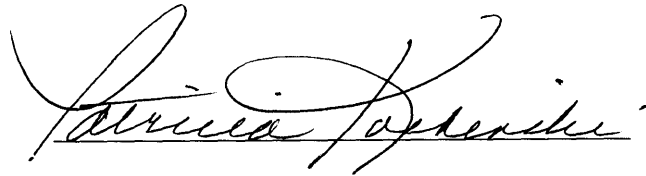
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A handwritten signature in cursive script, reading "Patricia Jankowski". The signature is written in black ink and is positioned above a horizontal line.