

## Text: Slater Steels Letter On Indian Imports

Date: August 9, 2002

July 30, 2002

The Honorable Donald L. Evans  
Office of the Secretary  
U.S. Department of Commerce  
14th and Constitution Avenue, NW #5854  
Washington, DC 20230

Dear Secretary Evans:

This letter is written on behalf of Slater Steels Corporation and pertains to the President's Section 201 remedy covering imports of stainless steel bar, including stainless steel angle. Following on from the March 13, 2002 letter that also concerned this topic, we urge you to act under Annex paragraph 11(d) (iii) of the Proclamation to remove the exclusion for India for tariff items 9903.74.04 through 9903.74.06. As discussed below and as shown in the table below, Indian imports of stainless steel bar, and angle imports in particular, have surged dramatically since the President's 201 remedy was put into place. Failure to include India within the scope of the President's remedy will seriously undermine the effectiveness of the relief package to the stainless steel bar industry (including angle) and jeopardize the ability of the domestic stainless steel bar producers to implement their adjustment plans.

Paragraph 12 of the President's proclamation provides an exclusion for certain developing countries that shipped less than 3% of total imports on a product-specific basis for a "recent representative period." Based on import volumes from 1996-97, India was exempted from the 201 relief on stainless steel bar (including angles) according to paragraph 11(d)(i) of the Annex. As explained in the March 13, 2002 earlier letter, imports of these products from India during the last three years were substantially greater than the 1996-1997 time period. More importantly, however, following imposition of the President's remedy, imports from India have surged to a much more substantial extent, further compromising any potential relief for the U.S. industries.

In particular, as shown in the data presented in the table below, imports of stainless steel bar (excluding angle) increased from 1,560 net tons to 3,360 net tons, or a 115 percent increase during the interim periods of January through May 2001 in comparison to the same period in 2002. Imports of stainless steel angle increased at an even greater level during this same time period from 239,644 pounds to 3,865,841 pounds, over a 1500% increase.

Imports of Stainless Steel Bar and Angle From India January - May 2001 -- January - May 2002			
Product	Jan. - May 2001	Jan. - May 2002	Percent Increase
Stainless Steel Bar	1560 net tons	3360 net tons	115.4%
Stainless Steel Angle	239,644 pounds	3,865,841 pounds	1513.2%

Source: U.S. Department of Commerce Import Statistics

Based on these statistics, there can be little doubt that the Indian producers are attempting to take full advantage of their exemption from the President's 201 remedy plan. As was explained in the March 13, 2002 letter, the relief package assumed a level of participation in these markets by India that is far below their actual participation during the time period in which the serious injury occurred.

It cannot be overemphasized that India has been a perennial problem for the stainless steel industry with persistent attempts to evade the dumping and countervailing duty orders that are in place against India and other countries. Indeed, with this recent surge in imports, Indian imports made between January - May 2002 now account for 45 percent of angle imports into the United States, compared to less than 3 percent of imports during the same time period in 2001. Similarly, Indian imports of stainless steel bar (excluding angle) accounted for 9.8 percent of bar imports into the United States between January - May 2002 compared to less than 3 percent during the same time period in 2001. The concern expressed in the March 13, 2002 letter over India's potential to disrupt the President's 201 relief plan has now been realized.

The facts concerning stainless bar, and particularly angle, from India are compelling and deserve reconsideration. Paragraph 11(d)(iii) of the proclamation allows the United States Trade Representative to remove a country from the developing country exemption if its imports increase sufficiently and no longer meet the criteria in paragraph 12 of the Proclamation. The huge increases in imports of stainless steel bar, including angle, from India in 2001 that has continued in the most recent months in 2002 provide a compelling reason to include India within the remedy immediately. This domestic industry, which was found by the International Trade Commission to be suffering serious injury by reason of imports, should not have to wait until the relief program is undermined completely before having India included in the remedy. We urge you to amend the relief program and remove India from the list of exempted countries for tariff items 9903.74.04 through 9903.74.06 under the President's program on steel products.

Thank you for your consideration of this important issue to the United States stainless steel industry.

Very truly yours,

David A. Hartquist  
Counsel to Slater Steels Corporation