

# CMC Steel Group



A Commercial Metals Company  
September 24, 2004

## Steel Mills:

SMI-Texas - Seguin, TX  
SMI Steel Inc. - Birmingham, AL  
SMI STEEL-Arkansas -  
Magnolia, AR  
SMI STEEL-South Carolina -  
Cayce, SC

## Steel Fabrication:

Alamo Steel - Waco, TX  
Capitol City Steel Co. - Austin, TX  
Capitol Steel, Inc. -  
Baton Rouge & Slidell, LA  
CoMet Steel -  
Dallas & McKinney TX  
Houston Steel Service -  
Houston, TX  
SMI Georgia Rebar -  
Lawrenceville, GA  
SMI Joist Company - Hope, AR  
SMI Joist Florida - Starke, FL  
SMI Joist Nevada - Fallon, NV  
SMI Joist South Carolina -  
Cayce & Congaree, SC  
SMI-Owen Steel Co. -  
Columbia, SC  
SMI Rebar North Carolina -  
Gastonia, NC  
SMI Rebar South Carolina -  
Columbia, SC  
SMI Rebar Virginia -  
Fredericksburg, VA  
SMI Steel Florida - Jacksonville, FL  
SMI Steel Products - Hope, AR  
Safety Steel Service -  
Victoria & Corpus Christi, TX  
South Carolina Steel Corp. -  
Taylors, SC  
Southern Post Company -  
Magnolia, AR; San Marcos, TX;  
Columbia, SC; Brigham City, UT  
Southern States Steel -  
Beaumont, TX  
Sterling Steel - Houston, TX  
Suncoast Steel - Naples, FL  
Texas Cold Finished Steel -  
Houston, TX

## Concrete Related Products:

Construction Materials Inc. -  
Alexandria, Baton Rouge,  
New Orleans, Shreveport,  
Sulphur, LA; Gulfport, MS  
SMI-Owen Supply Co. -  
Columbia, SC  
Shepler's - Austin, College Station,  
Conroe, Corpus Christi,  
Houston (2), Lubbock, Rio Grande  
Valley, Round Rock, San Antonio,  
Texas City, & Waco TX;  
Lawrenceville, GA

## Scrap Recycling:

AMP Recycling - Austin, TX  
CMC-Augusta - Augusta, GA  
Commercial Metals-Austin -  
Austin, TX  
CMC-Cayce - Cayce, SC  
CMC-Lexington - Lexington, SC  
CMC-North Augusta -  
North Augusta, SC  
Horowitz Salvage - Seguin, TX

## Miscellaneous:

Allegheny Heat Treating -  
Chicora, PA  
SMI Rail - Seguin, TX  
Safety Railway Service -  
Victoria, TX

## BY HAND DELIVERY

Kelly Parkhill

Director for Industry Support and Analysis  
Import Administration, Room 3713  
U.S. Department of Commerce  
14th & Constitution Avenue, NW  
Washington, DC 20230

Re: Request for Comments on Steel Import Monitoring and Analysis System

Dear Mr. Parkhill:

On behalf of the CMC Steel Group ("CMC Steel"), we respectfully submit the following comments in response to the Department of Commerce's ("the Department") request for comments on the continuation of the Steel Import Monitoring and Analysis System ("SIMA"), 69 Fed. Reg. 52,211 (August 25, 2004). CMC Steel strongly supports the continuation and expansion of this important program, which provides both government and industry with crucial and timely information on steel imports. In order to ensure that SIMA is able to effectively serve this purpose, it must be made permanent, and expand to include all steel products, not just those that were subject to the Section 201 remedy.

CMC Steel uses the current SIMA system extensively for business planning and as an early warning system for import surges. Failure to extend this program as promised would deprive CMC Steel and other steel producers of a vitally important tool. We are counting on the President and Secretary Evans to fulfill their commitment to keep this licensing and monitoring system in place.

While the top priority for the Administration should be to keep this extremely useful system in place, improvements can and should be made in order to enhance the program's effectiveness. CMC Steel fully supports the joint industry comments submitted to the Department by the American Iron and Steel Institute, the Steel Manufacturers Association, and other entities ("the domestic industry"). CMC Steel urges the Department to implement the core improvements in the SIMA program proposed by the domestic industry at the earliest possible date.

In particular, CMC Steel wishes to stress the crucial importance of expanding the SIMA program to cover all steel products. CMC Steel produces a wide variety of steel products, many of which are not currently covered by the program and thus vulnerable to import surges without warning. These include:

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- Fence Posts: CMC Steel's subsidiary, SMI-Southern Post Co., is the largest U.S. manufacturer of fence posts. Its four fabrication plants in Brigham City, Utah; San Marcos, Texas; Magnolia, Arkansas; and West Columbia, South Carolina produce over 60,000 miles of fence post per year.
- Fabricated Rebar: CMC Steel is the largest rebar fabricator in the United States, with 38 facilities located throughout the United States.

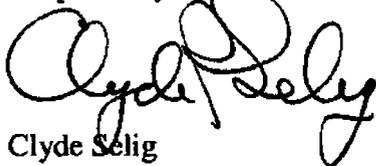
These products are vitally important to CMC Steel, and account for hundreds of jobs and significant sales. They are also prone to surges of imports, from a variety of sources and with little warning. Inclusion of these products in the steel import licensing and monitoring program is critical, it is specifically authorized under the WTO, and it is fair, since many of our trading partners already have permanent steel import licensing in place.

Additionally, the availability of data by port of entry is of crucial importance for rebar producers like CMC Steel. Enhancing SIMA to allow for the reporting of data for specific ports of entry would provide CMC Steel with more timely access to information that it needs to make business decisions, and provide an early warning mechanism to detect localized import surges. This is particularly important given the regional nature of the rebar market.

When the original 201 program was terminated, the Administration made clear its intent to maintain and expand the SIMA program. Despite this, Commerce did not begin this rulemaking process for eight months. Further delay, at a time when steel imports are again rising, could endanger the benefits of the original 201 program and leave the industry vulnerable to import surges. In light of this, the Department should act expeditiously to ensure that these enhancements are implemented well before the current SIMA system expires in March 2005.

I would be pleased to meet with Department officials to discuss these comments. We thank you in advance for your consideration of our comments.

Respectfully submitted,



Clyde Selig  
President and Chief Executive Officer  
CMC Steel Group