
STEEL LICENSE PROGRAM NEWSLETTER



Volume 2

May 2003

The purpose of this newsletter is to reinforce the Import Administration – Steel License Team commitment to customer service to the steel importing community. Specifically, we want to communicate any changes to the license system, steel license program, and other items of interest on, roughly, a quarterly basis in an attempt to make the program as least burdensome as possible.

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Welcome

As you may have noticed, it hasn't been quite three months since our last newsletter. In fact, it's been just over a month. We still intend to communicate on a quarterly basis, unless, of course, there is simply too much useful information to wait until then. With the launch of the Expanded Surge Monitor, data reconciliation issues, and upgrades & improvements to the system, the Steel Team felt that there was relevant information that needed to be passed along. We hope that you find this newsletter to be useful and informative.

Best Regards,

The Steel Licensing Team

Expanded Surge Monitor Now Available

- The Expanded Surge Monitor is now available as a link from the main steel licensing website: <http://ia.ita.doc.gov/steel/license/>
- These are examples of the tabular and graphical views of license and Census data:

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Example I

LICENSE Data
U.S. IMPORTS of 201-Covered: WELDED TUBULAR PRODUCTS FROM ALL COUNTRIES
Quantities in Metric Tons By Country

Welded Class	Welded Class	Country	May03	Apr03	Mar03
W	W	CHINA	152,655	162,522	165,301
W	W	INDONESIA	37,628	39,496	37,138
W	W	RUSSIA	18,294	15,115	16,958
W	W	THAILAND	12,281	10,883	7,058
W	W	UKRAINE	2,814	5,175	3,415
W	W	USA (100)	1,801		4,869
W	W	UNLICENS	272	3,596	277

Example II

Example I- Graph above illustrates U.S. Imports of All 201-Products from World in Metric Tons. Jan 2001-Mar 2003 data is compiled from Census. The last two months' data, which is labeled in yellow, is from the Steel Import Licensing System. The links at the top of the screen facilitate navigation.

Example II- Table above illustrates U.S. Imports of Welded Tubular Products from All Countries in Metric Tons. This data is solely compiled from the Steel Import Licensing system, and is showing the data for the most recent (3) months. Links on the side of the screen facilitate navigation. You can also choose to see the 'Census data' which consists of the most recent (3) months' data, and also 3 Month Average, 12 Month Average, and 12 Month Total by selecting it on the 'Search Tables' page.

- Steel team reconciles Customs ACS data with license data each Monday, and then updates the files each Wednesday with license data. (schedule to become regular in June).
- License data will be replaced with Census data as it becomes available.
- This is the current vision of the surge monitor. Its creation is an ongoing process, and we welcome interaction from all stakeholders to make it a useful tool for the industry. ❖

Purpose of the Steel License System

Many people filing for licenses have asked why Customs and the Department of Commerce implemented the steel import license and what is the exact purpose of the license system.

The purpose of the licensing system is to provide statistical data on steel imports entering the United States seven weeks earlier than is currently available. The data collected will enable Commerce to monitor significant changes or potential surges in steel imports, particularly from countries that had been excluded from the remedy. The data collected from the licenses will be made available to the public in an aggregated form (in an expanded surge monitor) after enough information has been collected and it has been reviewed within Commerce. The licensing system is a component of the President's March 2002 proclamation on safeguard measures covering imports of certain steel products that were implemented after the International Trade Administration conducted a thorough investigation.. We hope that with the launch of the Expanded Surge Monitor, both the purpose of the system and the need for quality data have become more evident. ❖

Data Quality

The primary focus of the steel team continues to be ensuring that the data collected from the licenses are as accurate as possible. On a weekly basis, the team compares the information that has been submitted on the license application to that which has been submitted on the Customs entry form.

Although the majority of licenses reflect accurate information, many licenses have been submitted with clerical errors. These errors come to light when the information on the license does not match with the information from Customs. In all cases, the information submitted on the license form should always match the information submitted to Customs.

Some of the most common mistakes:

- **A license is used for more than one entry:** Licenses are to be used for one entry only.
- **An exemption (Chapter 99 HTS code) was claimed on one form but not the other:** If an exemption is used, it should be noted on both the license and the Customs entry form.
- **The quantity and/or value on the license does not match with Customs:** The quantity should always be listed in kilograms and the value should always be listed in U.S. dollars.
- **Special note for those importing bars, fittings, or flanges:** Some have expressed confusion over whether the quantity should be listed in number of pieces. The quantity should always be listed in kilograms.
- **The country of origin on the license does not match with Customs:** Be careful on the drop down menu to choose the right country. Numerous licenses for imports of Canadian origin have been incorrectly listed as being from Cameroon, since it appears next on the list. The same applies for Mexico and Mauritius.

Our goal is to provide the industry with the most accurate and up-to-date information on steel imports. Please help us accomplish this goal by being careful when applying for licenses. Thank you for your cooperation! ❖

New Feature!

Easing the Burden for Low-Valued Steel Shipments within Formal Entries

We have received numerous requests for a special provision to ease the burden of obtaining licenses for very small shipments of steel within a larger formal entry – for example, an 18-cent fitting entered as a replacement part within an entry for a much larger piece of equipment. Clearly, burdening an importer to obtain a license for such a small steel item within a larger entry is not the intent of the licensing system.

We have discussed this issue with the US Customs Service and have concurred that we will begin issuing company specific multiple use-licenses to cover these very small shipments, as long as the total value of the covered steel products within the entry is less than \$250.

To get a “low-value” license number, you will need to contact our office. We’ll then email you a letter to sign and fax back. Once you indicate your understanding of the low value usage rule, your company will be assigned a specific license number to use for these very small low-value shipments (total covered steel product value of \$250 or less within a formal entry), in lieu of having to apply for an entry-specific license as is currently required.

Any violation of this agreement will mean a 6-month suspension from this privilege. As with all covered steel imports, our team monitors on a weekly basis usage of the licenses.

Please Note: The Steel Team will begin accepting requests for this program on Wednesday, May 28, 2003. ❖

Tariff Rate Update

(99 Codes)

Fifteen duty rate tariff codes (99 codes) have been updated for the second year of the remedy (through March 19, 2004). The following table lists the outdated 99code with the code that replaced it, along with the current duty rate that became effective on March 20, 2003:

201 Category	Old Number (2002-2003)	New Number (2003-2004)	New Rate
SLAB- EXCL	9903723800	9903724200	-
SLAB-TRQ	9903724000	9903724400	24.0%
PLATE	9903726000	9903726100	24.0%
HR	9903728000	9903728100	24.0%
CR	9903730200	9903730300	24.0%
COATED	9903732100	9903732200	24.0%
TIN	9903733700	9903733800	24.0%
HB	9903735000	9903735100	24.0%
CB	9903736000	9903736100	24.0%
WELDED	9903738400	9903738500	12.0%
FITTINGS	9903739300	9903739400	10.0%
REBAR	9903736900	9903737000	12.0%
SSBAR	9903740400	9903740500	12.0%
SSROD	9903741400	9903741500	12.0%
SSWIRE	9903742200	9903742300	7.0%

Fun & Fascinating Statistics

Number of Registered Users: 1,896
Number of Licenses Cancelled: 5,880
Average Number of Licenses Issued Daily: 851
Heaviest Usage of System: 10:00 am – 12:00 pm EST
Lightest Usage of System: 2:00 am – 4:00 am EST

Largest Number of Licenses Issued by Product:

- Carbon & Alloy Steel Welded Tubular Products other than OCTG

Lowest Number of Licenses Issued by Product:

- Stainless Steel Rod

100,000th License Sweepstakes!!

As the 100,000th license issued by the license system rapidly approaches (92,751 as of May 20), the License Team would like to celebrate this milestone. We have decided to pool our personal funds to buy a fabulous memento for the registered user that files the 100,000th license. We will contact the winner to notify them and seek their permission to briefly profile them in the next newsletter. Good Luck!

As always, we encourage your ideas and suggestions.

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