

**Re: U. S. Steel’s Opposition to Exclusion Requests BIS-2018-0006-16259, -16265 , -16269, -16271, -16277, -16577, -16592, -16599, -16603, -16607, -16613, -16617, and -16621 by Royal Metal Products, Inc.**

Founded in 1901, United States Steel Corporation (“U. S. Steel”) is the largest U.S.-headquartered integrated producer of flat-rolled and tubular steel products. U. S. Steel has blast furnaces in Illinois, Indiana, Michigan, and Pennsylvania; iron mines in Minnesota; and finishing operations in six additional states (Alabama, California, Arkansas, Mississippi, Ohio, and Texas). U. S. Steel employs approximately 17,500 hardworking Americans. Due to the Department’s Section 232 Investigation, Report, and Recommendations, and President Trump’s Section 232 action, in March 2018, U. S. Steel announced the restart of its idled blast furnace “B” and steelmaking operations at Granite City, Illinois, with approximately 1.5 million tons of annual raw steelmaking capacity. U. S. Steel hired approximately 500 employees for the “B” blast furnace, which is now fully operational. On June 5, 2018, U. S. Steel announced the restart of Granite City’s idled “A” blast furnace, with approximately 1.2 million tons of annual raw steelmaking capacity and for which we anticipate hiring an additional 300 new employees and being operational by October 2018. U. S. Steel also has an unfinished electric arc furnace at its Fairfield, Alabama facility that, if completed, would have 1.2-1.4 million tons of annual raw steelmaking capacity. U. S. Steel is optimistic that the Section 232 action will strengthen national security by reducing imports by 37 percent and returning the domestic industry to at least 80 percent capacity utilization.

For the reasons explained in the Objection Form and explained in more detail below, U. S. Steel strongly opposes the above-references exclusion requests filed by Royal Metal Products, Inc. (“Royal Metal” or the “Requestor”):

- The exclusion requests refer to a standard steel product that is readily available in the United States and for which the domestic industry has ample production capacity to supply;
- This product is available from import sources exempt from the tariff;
- The viability of the domestic steel industry is integral to ensuring national security, and excluding imports from the United Arab Emirates, Pakistan, Egypt, and Turkey from Section 232 Tariffs would weaken U.S. national security;
- The exclusion requests fail to provide sufficient supporting information to allow the Department to approve these requests;
- The Requestor fails to propose means that will enable U.S. Customs and Border Protection (“CBP”) to reasonably distinguish the steel product to be excluded at the time of entry; and
- Granting these exclusion requests would be contrary to the overall goals of the Section 232 tariffs.

Accordingly, the Department must deny these exclusion requests.

## **I. REASONS WHY THESE EXCLUSION REQUESTS SHOULD BE DENIED**

Royal Metal's exclusion requests should be denied for all the below reasons (individually and collectively).

### **A. These Products Are Readily Produced In The United States In Quantities Sufficient To Meet Demand**

As an initial and fundamental matter, Royal Metal's exclusion requests should be denied because the steel product requested for exclusion is a standard product that is readily available in the United States. The Requestor is seeking exclusion of a very standard product that domestic manufacturers, including U. S. Steel, produce in abundant amounts, and for which U. S. Steel and other domestic producers have significant unused capacity. As shown in the Objection Form fields 2.c, 2.d, and 2.e, U. S. Steel can produce all of the chemical, dimensional, and performance requirements noted in the exclusion requests. As further shown in the Objection Form field 3.a, U. S. Steel is capable of manufacturing and delivering 100% of the tonnage requirement covered by the exclusion requests.

### **B. This Product Is Available From Exempt Sources**

In Presidential Proclamation Adjusting Imports of Steel into the United States of April 30, 2018 ("the April 30 Presidential Proclamation"), the President announced long-term exemption for imports from South Korea subject to certain conditions including an import quota.<sup>1</sup> Subsequently, in Presidential Proclamation Adjusting Imports of Steel into the United States of May 31, 2018 ("the May 31 Proclamation"), the President announced similar long term exemptions for imports from Brazil and Argentina, subject to certain conditions including an import quota, as well as a long term exemption for imports from Australia, imports from which are not subject to a quota.<sup>2</sup>

In item 4.f, the Requestor acknowledges that this product is already available South Korea, which is exempt under the April 30 Presidential Proclamation. Indeed, there are imports from South Korea under HTS 7210.49.0030. See Attachment 3. Thus, even if there were insufficient domestic supply of the requested product (which is not the case, as explained above), the above provides an additional reason to deny these requests: Section 232 exclusion requests for products from sources subject to the tariff should not be granted if the product is domestically available *or available from import sources exempt from the tariff*. To do so would undermine the overarching purpose of the Section 232 action.

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<sup>1</sup> *Adjusting Imports of Steel into the United States*, 83 Fed. Reg. 20,683 (May 7, 2018). See Attachment 1, which is the referenced Presidential Proclamation, with the relevant pages from the Annex that list the quotas applicable to South Korea.

<sup>2</sup> *Adjusting Imports of Steel into the United States*, 83 Fed. Reg. 25, 857 (Jun. 5, 2018). See Attachment 2, which is the referenced Presidential Proclamation.

### **C. National Security Considerations Direct Denial Of These Exclusion Requests**

Excluding these steel imports from the Section 232 tariffs does not strengthen U.S. national security. Particularly against the backdrop of today's current security concerns, there is no national security interest in drawing further foreign imports into the United States to produce a product that is already produced in the United States, and for which substantial excess capacity exists. Given the domestic industry's unused capacity, excluding galvanized imports from Section 232 tariffs runs contrary to the entire basis of the Section 232 investigation as it would fail to increase capacity utilization of domestic steelmaking facilities.

Indeed, in Proclamation 9705 of March 8, 2018 ("Adjusting Imports of Steel Into the United States"), the President concurred with the finding of the Secretary of Commerce that "steel articles are being imported into the United States in such quantities and under such circumstances" that the national security of the United States is threatened and impaired. In an effort to reduce imports to a level that would enable domestic steel producers to revive idle production facilities, thereby increasing production, the President imposed a 25 percent *ad valorem* tariff on certain steel products. Additionally, the tariff relief is intended to create long-term viability of the domestic steel industry so that the United States does not become reliant on foreign producers to meet its national security needs. As such, the Secretary of Commerce may grant exclusions from the duties only in situations where the steel articles are determined not to be: (1) in a sufficient and reasonable available amount; (2) of a satisfactory quality; or (3) based upon specific national security considerations. None of those criteria are met in these exclusion requests. It is important for the effectiveness of this measure, and for the protection that it is designed to provide the national security of the United States, that Royal Metal's exclusion requests must be denied. If granted, these exclusions would both inhibit the domestic steel industry's ability to achieve sustainable capacity utilization rates and undermine the very national security goals that the Section 232 action is designed to achieve.

### **D. Royal Metal's Exclusion Requests Are Deficient**

Under law, this imported product is currently covered by the additional 25 percent *ad valorem* tariff. Thus, it is incumbent upon the requestor to ensure that its exclusion requests are complete and provide the Department with: (1) all of the information needed to identify the product with great specificity; and (2) information that demonstrates that a temporary exclusion from the 232 tariffs are warranted and do not undermine the goals of those tariffs. Section 232 requires the requestor to provide "factual" and "specific" information" in support of each exclusion request. In short, the burden is on the requestor to demonstrate that good cause exists to grant an exclusion on a precisely-defined article of steel. If the Requestor fails to meet its burden, the exclusion request must be rejected. Such is the situation here—the exclusion requests lacks sufficient evidentiary support required under Section 232.

First, the exclusion requests provide no factual support for its claim that the requested product is not produced by domestic manufacturers in sufficient quantities to meet market demand. Rather, the Royal Metal relies on an unsubstantiated assertion that domestic quantities

are limited to manufacturing inefficiencies.<sup>3</sup> As described above, domestic manufacturers, including U. S. Steel, have idle capacity to produce this product.

Second, Exclusion Request Form field 3.b does not contain the required minimum and maximum gauge ranges for this product. This missing information is critical to the evaluation of all exclusion requests, and without this information the exclusion requests are inadequate/incomplete. To grant a request for exclusion without the required information would otherwise undermine the overarching purpose of the Section 232 investigative process.

**E. CBP Could Not Adequately Monitor Or Enforce An Exclusion Granted Pursuant To These Requests**

The Requestor reports in item 5.e of its exclusion requests that CBP will be able to distinguish the steel product covered by these exclusion requests based on “coil width, thicknesses and chemistries.” This statement is woefully inadequate in providing guidance to CBP on how shipments covered by the exclusion requests could be identified and verified as to conforming to the physical limitations described in the requests. Therefore, to grant this exclusion requests would add undue burden to CBP’s current entry system and procedures.

**F. Granting These Exclusion Requests Would Be Contrary To The Overall Goals Of The Steel 232 Tariffs**

Finally, in Proclamation 9705 of March 8, 2018 (“Adjusting Imports of Steel Into the United States”), the President concurred with the finding of the Secretary of Commerce that “steel articles are being imported into the United States in such quantities and under such circumstances” that the national security of the United States is threatened and impaired. In an effort to reduce imports to a level that would enable domestic steel producers to revive idle production facilities, thereby increasing production, the President imposed a 25 percent *ad valorem* tariff on certain steel products. Additionally, the tariff relief is intended to create long-term viability of the domestic steel industry so that the United States does not become reliant on foreign producers to meet its national security needs. As such, the Secretary of Commerce may grant exclusions from the duties only in situations where the steel articles are determined not to be: (1) in a sufficient and reasonable available amount; (2) of a satisfactory quality; or (3) based upon specific national security considerations. None of those criteria are met in these exclusion requests. It is important for the effectiveness of this measure, and for the protection that it is designed to provide the national security of the United States, that these exclusion requests be denied. If granted, these exclusion requests would both inhibit the domestic steel industry’s ability to achieve sustainable capacity utilization rates and serve to undermine the very national security goals that the Section 232 action is designed to achieve.

**II. CONFIDENTIALITY**

The Department of Commerce will note certain information requested in the excel document entitled: Objection Filing to Posted Section 232 Exclusion Request Steel (OMB

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<sup>3</sup> Exclusion Request Form field 4.e.

Control No. 0694-0138) as well as information referenced above, has not been provided by U. S. Steel because it is confidential business information of the company. Information such as capacity and capacity utilization is not information that U. S. Steel publicly releases, and indeed is considered business proprietary information in antidumping and countervailing duty proceedings at the Department<sup>4</sup> and the Commission. Indeed, the requested information “is of a kind that the provider would not customarily make available to the public.”<sup>5</sup> It is therefore exempt from the Freedom of Information Act, 5 U.S.C. § 552 as “trade secrets and commercial or financial information obtained from a person and privileged or confidential.”<sup>6</sup> Thus, U. S. Steel has business proprietary information related to the Objection Form fields 1.c, 3.b, 3.c, 3.d, and 3.f. and stands ready to provide that information confidentially if requested.

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Attachments (3)

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<sup>4</sup> See e.g., 19 C.F.R. § 351.105(c).

<sup>5</sup> *Critical Mass Energy Project v. Nuclear Regulatory Comm’n*, 975 F.2d 871, 871 (1992).

<sup>6</sup> See 5 U.S.C. § 552(b)(4); 15 C.F.R. § 2004.4.

# **ATTACHMENT 1**

## Presidential Documents

Proclamation 9740 of April 30, 2018

### Adjusting Imports of Steel Into the United States

By the President of the United States of America

#### A Proclamation

1. On January 11, 2018, the Secretary of Commerce (Secretary) transmitted to me a report on his investigation into the effect of imports of steel mill articles on the national security of the United States under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862).

2. In Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel Into the United States), I concurred in the Secretary's finding that steel mill articles are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States, and decided to adjust the imports of steel mill articles, as defined in clause 1 of Proclamation 9705, as amended by clause 8 of Proclamation 9711 of March 22, 2018 (Adjusting Imports of Steel Into the United States) (steel articles), by imposing a 25 percent ad valorem tariff on such articles imported from all countries except Canada and Mexico. I further stated that any country with which we have a security relationship is welcome to discuss with the United States alternative ways to address the threatened impairment of the national security caused by imports from that country, and noted that, should the United States and any such country arrive at a satisfactory alternative means to address the threat to the national security such that I determine that imports from that country no longer threaten to impair the national security, I may remove or modify the restriction on steel articles imports from that country and, if necessary, adjust the tariff as it applies to other countries, as the national security interests of the United States require.

3. In Proclamation 9711, I noted the continuing discussions with the Argentine Republic (Argentina), the Commonwealth of Australia (Australia), the Federative Republic of Brazil (Brazil), Canada, Mexico, the Republic of Korea (South Korea), and the European Union (EU) on behalf of its member countries, on satisfactory alternative means to address the threatened impairment to the national security by imports of steel articles from those countries. Recognizing that each of these countries and the EU has an important security relationship with the United States, I determined that the necessary and appropriate means to address the threat to national security posed by imports of steel articles from these countries was to continue the ongoing discussions and to exempt steel articles imports from these countries from the tariff proclaimed in Proclamation 9705 until May 1, 2018.

4. The United States has successfully concluded discussions with South Korea on satisfactory alternative means to address the threatened impairment to our national security posed by steel articles imports from South Korea. The United States and South Korea have agreed on a range of measures, including measures to reduce excess steel production and excess steel capacity, and measures that will contribute to increased capacity utilization in the United States, including a quota that restricts the quantity of steel articles imported into the United States from South Korea. In my judgment, these measures will provide an effective, long-term alternative means to address South Korea's contribution to the threatened impairment to our national security by restraining steel articles exports to the United States

from South Korea, limiting transshipment, and discouraging excess capacity and excess steel production. In light of this agreement, I have determined that steel articles imports from South Korea will no longer threaten to impair the national security and have decided to exclude South Korea from the tariff proclaimed in Proclamation 9705. The United States will monitor the implementation and effectiveness of the quota and other measures agreed upon with South Korea in addressing our national security needs, and I may revisit this determination, as appropriate.

5. The United States has agreed in principle with Argentina, Australia, and Brazil on satisfactory alternative means to address the threatened impairment to our national security posed by steel articles imported from these countries. I have determined that the necessary and appropriate means to address the threat to national security posed by imports of steel articles from Argentina, Australia, and Brazil is to extend the temporary exemption of these countries from the tariff proclaimed in Proclamation 9705, in order to finalize the details of these satisfactory alternative means to address the threatened impairment to our national security posed by steel articles imported from these countries. In my judgment, and for the reasons I stated in paragraph 10 of Proclamation 9711, these discussions will be most productive if steel articles from Argentina, Australia, and Brazil remain exempt from the tariff proclaimed in Proclamation 9705, until the details can be finalized and implemented by proclamation. Because the United States has agreed in principle with these countries, in my judgment, it is unnecessary to set an expiration date for the exemptions. Nevertheless, if the satisfactory alternative means are not finalized shortly, I will consider re-imposing the tariff.

6. The United States is continuing discussions with Canada, Mexico, and the EU. I have determined that the necessary and appropriate means to address the threat to the national security posed by imports of steel articles from these countries is to continue these discussions and to extend the temporary exemption of these countries from the tariff proclaimed in Proclamation 9705, at least at this time. In my judgment, and for the reasons I stated in paragraph 10 of Proclamation 9711, these discussions will be most productive if steel articles from these countries remain exempt from the tariff proclaimed in Proclamation 9705.

7. For the reasons I stated in paragraph 11 of Proclamation 9711, however, the tariff imposed by Proclamation 9705 remains an important first step in ensuring the economic stability of our domestic steel industry and removing the threatened impairment of the national security. As a result, unless I determine by further proclamation that the United States has reached a satisfactory alternative means to remove the threatened impairment to the national security by imports of steel articles from Canada, Mexico, and the member countries of the EU, the tariff set forth in clause 2 of Proclamation 9705 shall be effective June 1, 2018, for these countries.

8. In light of my determination to exclude, on a long-term basis, South Korea from the tariff proclaimed in Proclamation 9705, I have considered whether it is necessary and appropriate in light of our national security interests to make any corresponding adjustments to the tariff set forth in clause 2 of Proclamation 9705 as it applies to other countries. I have determined that, in light of the agreed-upon quota and other measures with South Korea, the measures being finalized with Argentina, Australia, and Brazil, and the ongoing discussions that may result in further long-term exclusions from the tariff proclaimed in Proclamation 9705, it is necessary and appropriate, at this time, to maintain the current tariff level as it applies to other countries.

9. Section 232 of the Trade Expansion Act of 1962, as amended, authorizes the President to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.



10. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTSUS) the substance of statutes affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States of America, including section 232 of the Trade Expansion Act of 1962, as amended, section 301 of title 3, United States Code, and section 604 of the Trade Act of 1974, as amended, do hereby proclaim as follows:

(1) Imports of all steel articles from Argentina, Australia, Brazil, and South Korea shall be exempt from the duty established in clause 2 of Proclamation 9705, as amended by clause 1 of Proclamation 9711. Imports of all steel articles from Canada, Mexico, and the member countries of the EU shall be exempt from the duty established in clause 2 of Proclamation 9705 until 12:01 a.m. eastern daylight time on June 1, 2018. Further, clause 2 of Proclamation 9705, as amended by clause 1 of Proclamation 9711, is also amended by striking the last two sentences and inserting in lieu thereof the following two sentences: "Except as otherwise provided in this proclamation, or in notices published pursuant to clause 3 of this proclamation, all steel articles imports specified in the Annex shall be subject to an additional 25 percent ad valorem rate of duty with respect to goods entered for consumption, or withdrawn from warehouse for consumption, as follows: (a) on or after 12:01 a.m. eastern daylight time on March 23, 2018, from all countries except Argentina, Australia, Brazil, Canada, Mexico, South Korea, and the member countries of the European Union, and (b) on or after 12:01 a.m. eastern daylight time on June 1, 2018, from all countries except Argentina, Australia, Brazil, and South Korea. This rate of duty, which is in addition to any other duties, fees, exactions, and charges applicable to such imported steel articles, shall apply to imports of steel articles from each country as specified in the preceding sentence."

(2) In order to provide the quota treatment referred to in paragraph 4 of this proclamation to steel articles imports from South Korea, U.S. Note 16 of subchapter III of chapter 99 of the HTSUS is amended as provided for in Part A of the Annex to this proclamation. U.S. Customs and Border Protection (CBP) of the Department of Homeland Security shall implement this quota as soon as practicable, taking into account all steel articles imports from South Korea since January 1, 2018.

(3) The exemption afforded to steel articles from Canada, Mexico, and the member countries of the EU shall apply only to steel articles of such countries entered for consumption, or withdrawn from warehouse for consumption, through the close of May 31, 2018, at which time such countries shall be deleted from the article description of heading 9903.80.01 of the HTSUS.

(4) Clause 5 of Proclamation 9711 is amended by inserting the phrase ", except those eligible for admission under 'domestic status' as defined in 19 CFR 146.43, which is subject to the duty imposed pursuant to Proclamation 9705, as amended by Proclamation 9711," after the words "Any steel article" in the first and second sentences.

(5) Steel articles shall not be subject upon entry for consumption to the duty established in clause 2 of Proclamation 9705, as amended by clause 1 of this proclamation, merely by reason of manufacture in a U.S. foreign trade zone. However, steel articles admitted to a U.S. foreign trade zone in "privileged foreign status" pursuant to clause 5 of Proclamation 9711, as amended by clause 4 of this proclamation, shall retain that status consistent with 19 CFR 146.41(e).

(6) No drawback shall be available with respect to the duties imposed on any steel article pursuant to Proclamation 9705, as amended by clause 1 of this proclamation.

(7) The Secretary, in consultation with CBP and other relevant executive departments and agencies, shall revise the HTSUS so that it conforms to the amendments and effective dates directed in this proclamation. The Secretary shall publish any such modification to the HTSUS in the *Federal Register*.

(8) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this thirtieth day of April, in the year of our Lord two thousand eighteen, and of the Independence of the United States of America the two hundred and forty-second.



Heading/ Subheading	Article description	Quantitative Limitation
9903.80.10	Cold-rolled black plate, provided for in subheading 7209.18.25.....	34,385,821 kg
9903.80.11	Plate in cut lengths, provided for in subheading 7208.40.30, 7208.51.00, 7208.52.00, 7210.90.10, 7211.13.00, 7211.14.00 (except for statistical reporting number 7211.14.0090), 7225.40.30, 7225.50.60 or 7226.91.50.....	202,530,628 kg
9903.80.12	Flat-rolled products, hot-dipped, provided for in subheading 7210.41.00, 7210.49.00, 7210.70.60 (except for statistical reporting numbers 7210.70.6030 and 7210.70.6090), 7212.30.10, 7212.30.30, 7212.30.50, 7225.92.00 or 7226.99.01 (except for statistical reporting numbers 7226.99.0110 and 7226.99.0180).....	166,310,597 kg
9903.80.13	Flat-rolled products, coated, provided for in subheading 7210.20.00, 7210.61.00, 7210.69.00, 7210.70.60 (except for statistical reporting numbers 7210.70.6030 and 7210.70.6060), 7210.90.60, 7210.90.90, 7212.50.00 or 7212.60.00.....	190,840,544 kg
9903.80.14	Tin-free steel, provided for in subheading 7210.50.00.....	18,374,353 kg
9903.80.15	Tin plate, provided for in subheading 7210.11.00, 7210.12.00 or 7212.10.00.....	54,749,093 kg
9903.80.16	Silicon electrical steel sheets and strip, provided for in subheading 7225.11.00, 7225.19.00, 7226.11.10, 7226.11.90, 7226.19.10 or 7226.19.90.....	7,505,976 kg
9903.80.17	Sheets and strip electrolytically coated or plated with zinc, provided for in subheading 7210.30.00, 7210.70.60 (except for statistical reporting numbers 7210.70.6060 and 7210.70.6090), 7212.20.00, 7225.91.00 or 7226.99.01 (except for statistical reporting numbers 7226.99.0130 and 7226.99.0180)....	13,094,743 kg

# **ATTACHMENT 2**

## Presidential Documents

Proclamation 9759 of May 31, 2018

### Adjusting Imports of Steel Into the United States

By the President of the United States of America

#### A Proclamation

1. On January 11, 2018, the Secretary of Commerce (Secretary) transmitted to me a report on his investigation into the effect of imports of steel mill articles on the national security of the United States under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862).

2. In Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel Into the United States), I concurred in the Secretary's finding that steel mill articles are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States, and decided to adjust the imports of steel mill articles, as defined in clause 1 of Proclamation 9705, as amended (steel articles), by imposing a 25 percent ad valorem tariff on such articles imported from most countries, beginning March 23, 2018. I further stated that any country with which we have a security relationship is welcome to discuss with the United States alternative ways to address the threatened impairment of the national security caused by imports from that country, and noted that, should the United States and any such country arrive at a satisfactory alternative means to address the threat to the national security such that I determine that imports from that country no longer threaten to impair the national security, I may remove or modify the restriction on steel articles imports from that country and, if necessary, adjust the tariff as it applies to other countries, as the national security interests of the United States require.

3. In Proclamation 9711 of March 22, 2018 (Adjusting Imports of Steel Into the United States), I noted the continuing discussions with the Argentine Republic (Argentina), the Commonwealth of Australia (Australia), the Federative Republic of Brazil (Brazil), Canada, Mexico, the Republic of Korea (South Korea), and the European Union (EU) on behalf of its member countries, on satisfactory alternative means to address the threatened impairment to the national security posed by imports of steel articles from those countries. Recognizing that each of these countries and the EU has an important security relationship with the United States, I determined that the necessary and appropriate means to address the threat to national security posed by imports of steel articles from these countries was to continue the ongoing discussions and to exempt steel articles imports from these countries from the tariff proclaimed in Proclamation 9705, as amended, until May 1, 2018.

4. In Proclamation 9740 of April 30, 2018 (Adjusting Imports of Steel Into the United States), I noted that the United States had agreed in principle with Argentina, Australia, and Brazil on satisfactory alternative means to address the threatened impairment to our national security posed by steel articles imports from these countries and extended the temporary exemption of these countries from the tariff proclaimed in Proclamation 9705, as amended, in order to finalize the details.

5. The United States has agreed on a range of measures with these countries, including measures to reduce excess steel production and excess steel capacity, measures that will contribute to increased capacity utilization in the United States, and measures to prevent the transshipment of steel articles

and avoid import surges. In my judgment, these measures will provide effective, long-term alternative means to address these countries' contribution to the threatened impairment to our national security by restraining steel articles exports to the United States from each of them, limiting transshipment and surges, and discouraging excess steel capacity and excess steel production. In light of these agreements, I have determined that steel articles imports from these countries will no longer threaten to impair the national security and thus have decided to exclude these countries from the tariff proclaimed in Proclamation 9705, as amended. The United States will monitor the implementation and effectiveness of the measures agreed upon with these countries to address our national security needs, and I may revisit this determination, as appropriate.

6. In light of my determination to exclude, on a long-term basis, these countries from the tariff proclaimed in Proclamation 9705, as amended, I have considered whether it is necessary and appropriate in light of our national security interests to make any corresponding adjustments to such tariff as it applies to other countries. I have determined that, in light of the agreed-upon measures with these countries, and the fact that the tariff will now apply to imports of steel articles from additional countries, it is necessary and appropriate, at this time, to maintain the current tariff level as it applies to other countries.

7. Section 232 of the Trade Expansion Act of 1962, as amended, authorizes the President to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

8. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTSUS) the substance of statutes affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States of America, including section 232 of the Trade Expansion Act of 1962, as amended, section 301 of title 3, United States Code, and section 604 of the Trade Act of 1974, as amended, do hereby proclaim as follows:

(1) The superior text to subheadings 9903.80.05 through 9903.80.58 of the HTSUS is amended by replacing "South Korea" with "Argentina, of Brazil, or of South Korea".

(2) For the purposes of administering the quantitative limitations applicable to subheadings 9903.80.05 through 9903.80.58 for Argentina and Brazil, the annual aggregate limits for each country set out in the Annex to this proclamation shall apply for the period starting with calendar year 2018 and for subsequent years, unless modified or terminated. The quantitative limitations applicable to subheadings 9903.80.05 through 9903.80.58 for these countries, which for calendar year 2018 shall take into account all steel articles imports from each respective country since January 1, 2018, shall be effective for steel articles entered for consumption, or withdrawn from warehouse for consumption, on or after June 1, 2018, and shall be implemented by U.S. Customs and Border Protection (CBP) of the Department of Homeland Security as soon as practicable, consistent with the superior text to subheadings 9903.80.05 through 9903.80.58. The Secretary of Commerce shall monitor the implementation of the quantitative limitations applicable to subheadings 9903.80.05 through 9903.80.58 and shall, in consultation with the Secretary of Defense, the United States Trade Representative, and such other senior Executive Branch officials as the Secretary deems appropriate, inform the President of any circumstance that in the Secretary's opinion might indicate that an adjustment of the quantitative limitations is necessary.

(3) The text of subdivision (e) of U.S. note 16 to subchapter III of chapter 99 of the HTSUS is amended by striking the last sentence and inserting in lieu thereof the following sentence: "Beginning on July 1, 2018, imports from any such country in an aggregate quantity under any such subheading during any of the periods January through March, April through June, July through September, or October through December in any year that is in excess of 500,000 kg and 30 percent of the total aggregate quantity provided for a calendar year for such country, as set forth on the internet site of CBP, shall not be allowed."

(4) The Secretary of Commerce, in consultation with CBP and with other relevant executive departments and agencies, shall revise the HTSUS so that it conforms to the amendments and effective dates directed in this proclamation. The Secretary shall publish any such modification to the HTSUS in the *Federal Register*.

(5) Clause 5 of Proclamation 9711, as amended, is amended by striking the phrase "as amended by Proclamation 9711," in the first and second sentences and inserting in lieu thereof the following phrase: "as amended, or to the quantitative limitations established by proclamation,". Clause 5 of Proclamation 9711, as amended, is further amended by inserting the phrase "or quantitative limitations" after the words "ad valorem rates of duty" in the first and second sentences.

(6) Clause 5 of Proclamation 9740 is amended by striking the phrase "as amended by clause 1 of this proclamation," and inserting in lieu thereof the following phrase: "as amended, or to the quantitative limitations established by proclamation," in the first sentence. Clause 5 of Proclamation 9740 is further amended by striking the words "by clause 4 of this proclamation" from the second sentence.

(7) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of May, in the year of our Lord two thousand eighteen, and of the Independence of the United States of America the two hundred and forty-second.





# **ATTACHMENT 3**

**7210.49.0030: First Unit of Quantity by Country Name and First Unit of Quantity  
for ALL Countries**

**U.S. Imports for Consumption**

**Annual + Year-To-Date Data from Jan - Apr**

Country	Quantity Description	2017	2017 YTD	2018 YTD	Percent Change YTD2017 - YTD2018
		In Actual Units of Quantity			
Australia	kilograms	10,258,876	0	0	N/A
Austria	kilograms	1,767,670	363,470	296,260	-18.50%
Belgium	kilograms	3,244,253	629,536	1,021,986	62.30%
Brazil	kilograms	3,830,460	0	0	N/A
Canada	kilograms	109,889,475	36,204,004	42,778,950	18.20%
Colombia	kilograms	6,692,475	831,765	2,790,167	235.50%
Costa Rica	kilograms	4,785,770	2,021,220	0	-100.00%
Egypt	kilograms	8,155,904	1,128,925	11,401,135	909.90%
France	kilograms	0	0	2,524,950	N/A
Germany	kilograms	7,653,682	4,348,710	5,572,889	28.20%
India	kilograms	206,844	0	0	N/A
Indonesia	kilograms	1,612,935	102,470	935,240	812.70%
Japan	kilograms	11,007,124	2,666,100	4,176,877	56.70%
Korea	kilograms	19,448,950	7,933,410	4,015,350	-49.40%
Malaysia	kilograms	17,698,827	1,045,455	13,545,850	1195.70%
Mexico	kilograms	185,806	66,646	80,830	21.30%
Morocco	kilograms	15,630	0	0	N/A
Netherlands	kilograms	9,883,316	2,703,115	2,340,358	-13.40%
New Zealand	kilograms	5,417,085	0	6,981,595	N/A
Pakistan	kilograms	14,537,849	4,312,507	4,887,336	13.30%
Russia	kilograms	73,761,646	18,227,670	67,909,238	272.60%
Saudi Arabia	kilograms	199,362	0	60,806	N/A
South Africa	kilograms	62,865,972	41,404,432	5,457,180	-86.80%
Switzerland	kilograms	104,490	104,490	0	-100.00%
Taiwan	kilograms	38,686,650	18,794,670	5,380,770	-71.40%
Thailand	kilograms	35,443,336	10,390,870	7,141,042	-31.30%
Turkey	kilograms	49,935,330	11,872,220	3,266,570	-72.50%
Ukraine	kilograms	2,473,445	465,170	0	-100.00%
United Arab Em	kilograms	76,374,023	21,764,817	19,646,763	-9.70%
Vietnam	kilograms	71,209,084	30,881,509	35,831,059	16.00%

Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.