

LEGAL UPDATES

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Service

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Expedited Schedule Announced for Steel Imports Investigation

On April 26, 2017, the U.S. Department of Commerce (DOC) published a notice in the Federal Register setting out the hearing schedule for the investigation of steel imports that was announced on April 20, 2017. The scope of the investigation appears to be broad and could affect large portions of the U.S. economy and supply chain. Thus, the announcement is important both for what it says and does not say.

Commerce announced the following schedule for its investigation into the effect of steel imports on national security (view our previous alert):

May 17, 2017 – Requests to speak and written summaries of testimony due

May 19, 2017 – DOC selects which parties will speak at the hearing

May 24, 2017 – Hearing at DOC from 10 a.m. to 1 p.m.

May 31, 2017 – Full written comments due at DOC

The announcement made clear that Commerce is particularly interested in comments on:

Quantity of steel or other circumstances related to the importation of steel;

Domestic production and productive capacity needed for steel to meet projected national defense requirements;

Existing and anticipated availability of human resources, products, raw materials, production equipment and facilities to produce steel;

Growth requirements of the steel industry to meet national defense requirements and/or requirements to assure such growth;

The impact of foreign competition on the economic welfare of the steel industry;

The displacement of any domestic steel causing substantial unemployment, decrease in the revenues of government, loss of investment or specialized skills and productive capacity, or other serious effects; and

Relevant factors that are causing or will cause a weakening of the national economy.

While the above are issues the government is required to assess, the issues not included in the announcement also are significant. Most fundamentally, Commerce has not announced what products are covered by the case, and it is unclear when it will offer such a definition. It may be that the scope issue is not yet resolved within the administration. But the lack of definition makes it challenging for interested parties to prepare briefs and data.

What This Means to You

The hearing announcement leads us to a few initial conclusions about the case:

The lack of definition of product coverage at this juncture means that producers, importers and consumers of basic steel products such as hot-rolled or cold-rolled sheet and plate are almost surely covered by the case. Products such as pipe and tube also may be in, but it is unknown how far downstream the case will cover. For example, it is likely it will include wire rod, but will it also include nails?

There is no clearly defined exemption process at this point, which is not surprising given the absence of a clear scope. The hearing process, which is short and covers multiple countries and products, is not likely to be a meaningful forum for discussion of exemptions or appropriate relief. It appears that work on exemptions will not be in a public forum but rather through working with members of Congress and with the technical experts in the agencies, as well as with the White House.

The hearing is being held very quickly after the announcement of the initiation, which indicates that the Trump administration intends to expedite the proceeding.

We will provide more information, including on the scope of the case, as it becomes available.

Contact Us

For more information on how the steel investigation may impact your business, please contact Jeffrey S. Neeley or another member of Husch Blackwell's International Trade & Supply Chain team.