June 29, 2016

The Honourable William Francis Morneau
Minister of Finance
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

Dear Minister Morneau,

The American Iron and Steel Institute (AISI) is pleased to submit these comments in connection with the Government of Canada’s consultation on potential amendments to the Special Import Measures Act (SIMA).

AISI serves as the voice of the North American steel industry in the public policy arena and advances the case for steel in the marketplace as the preferred material of choice. AISI also plays a lead role in the development and application of new steels and steelmaking technology. AISI is comprised of 19 member companies, including integrated and electric furnace steelmakers, and approximately 124 associate members who are suppliers to or customers of the steel industry.

Global steel overcapacity driven by foreign government subsidies and other interventionist policies has led to high levels of dumped and subsidized imports in the United States, Canada and Mexico that are taking significant market share from North American steel producers and are resulting in reduced domestic production and low capacity utilization. In the United States, this has led to a number of plant closures and almost 15,000 layoffs in the steel industry. To respond to this global steel crisis, AISI, in coordination with our industry partners in the United States, Canada and Mexico has urged all three North American governments to undertake a coordinated series of policy actions to:

1. Vigorously enforce their trade remedy laws to offset the full extent of dumping and subsidization that is benefitting imports of steel products that are injuring the North American industry;
2. Secure commitments by other countries to eliminate steel overcapacity, with special attention to China; and
3. Secure commitments by all steelmaking countries to eliminate and not introduce subsidies and other market-distorting policies related to steel.
In order for this policy approach to be successful, it is critical that the United States, Canada and Mexico each take steps to ensure that their domestic trade remedy law systems are able to address effectively the full range of unfair trade practices facing the steel industry today. To this end, the United States has made a number of revisions to its trade remedy laws over the last year, in particular through the enactment of the American Trade Enforcement Effectiveness Act and the Enforcing Orders and Reducing Customs Evasion Act. To the extent that the Government of Canada enacts similar trade remedy reforms, this will strengthen the ability of both our nations to ensure that North American manufacturing supply chains are not negatively impacted by unfair trade, consistent with our WTO rights and obligations.

Accordingly, AISI supports the efforts of the Government of Canada to make improvements in its trade remedy law system to address situations where prices or costs in an exporter's home market may not be reliable or where profit rates cannot be established on the basis of an exporter's sales in its home market. Likewise, we support efforts to improve the enforcement of Canadian trade laws to address circumvention and/or evasion of trade remedy measures, to clarify what goods are subject to a measure, and to ensure that any product exclusions are narrowly tailored and effectively enforced. Finally, we support the clarification of evidentiary standards to ensure that trade remedy proceedings are conducted where warranted and that interested parties have sufficient opportunity to defend their interests.

Thank you for the opportunity to provide our comments as you undertake this important legislative process.

Sincerely,

[Signature]

Thomas J. Gibson