

# SMU Community Chat

January 26, 2022

Starting at 11 AM Eastern

Michael Cowden, Steel Market Update

Alan Price, Wiley Rein LLP



[SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars](https://www.steelmarketupdate.com/blog/smu-community-chat-webinars)

# Steel Market Update



SMU Newsletter developed for active buyers & sellers of flat rolled steel.

**Prices – Momentum – Trends – Analysis – with a guarantee**

For more information visit [www.SteelMarketUpdate.com](http://www.SteelMarketUpdate.com)

# Upcoming SMU Events

Date	Event	Status	Venue
<b>February 14-15</b>	SMU Introduction to Steel Hedging Workshop	<b>Live</b>	Marriott Waterside Hotel Tampa, Florida
<b>February 14-16</b>	Tampa Steel Conference	<b>Live</b>	Marriott Waterside Hotel Tampa, Florida
<b>April 26-27</b>	SMU Introduction to Steel Hedging Workshop	<b>Virtual</b>	Online
<b>August 22-24</b>	SMU Steel Summit Conference	<b>Live</b>	Georgia International Convention Center, Atlanta, Georgia

If you would like more information about any of our workshops, you may visit [SteelMarketUpdate.com/Events](https://SteelMarketUpdate.com/Events) or e-mail our team at [Events@SteelMarketUpdate.com](mailto:Events@SteelMarketUpdate.com)



Steel 101 Workshop, Severstal Dearborn 2012

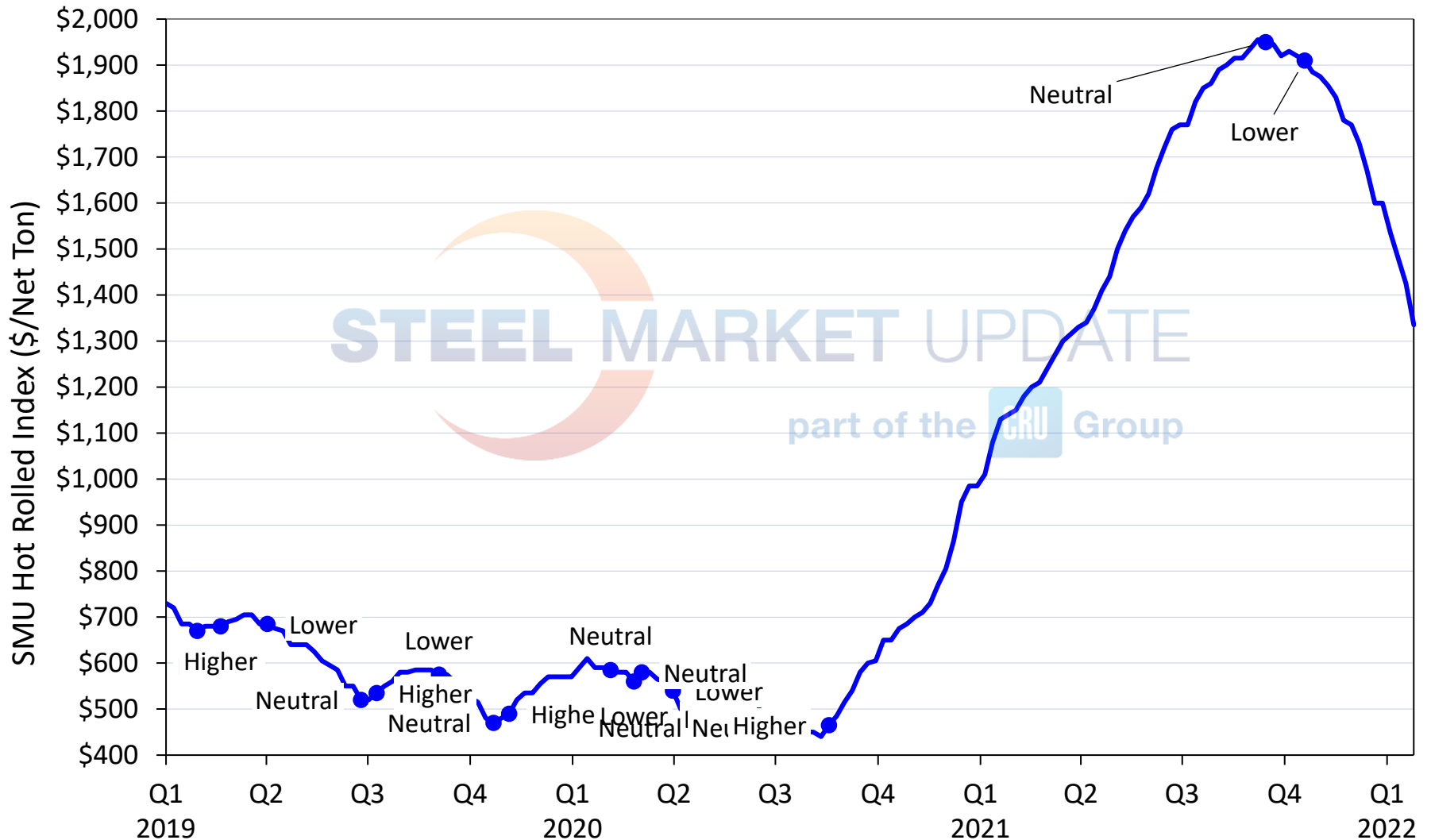
Our goal is to provide quality information to the flat rolled steel industry.

We invite over 500 companies to participate in our surveys.

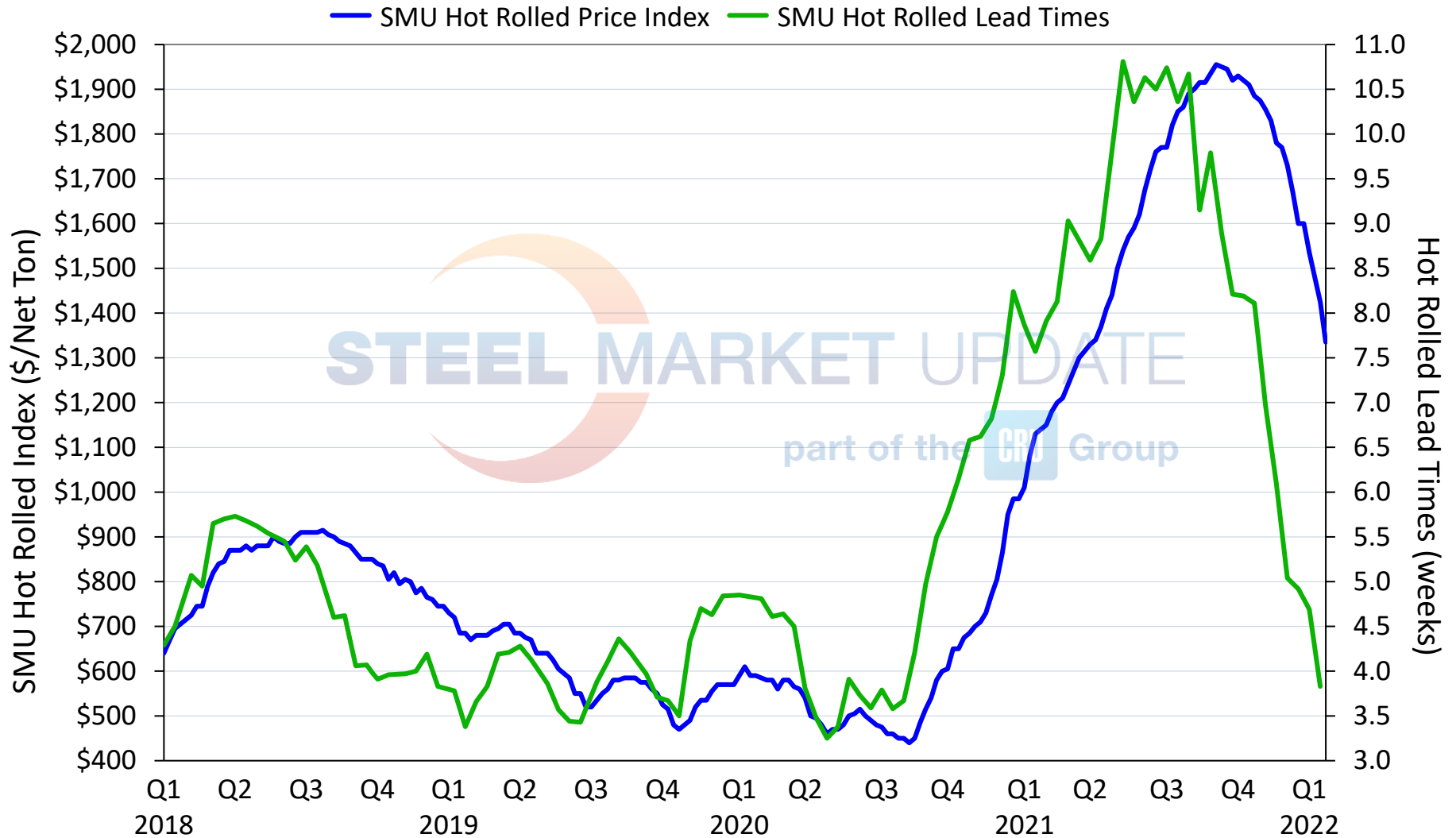
Normal response rate is 100-150 individuals on any one survey.

All responses are kept confidential and are never attributed to the individual or company responding.

# SMU Price Momentum Indicator History

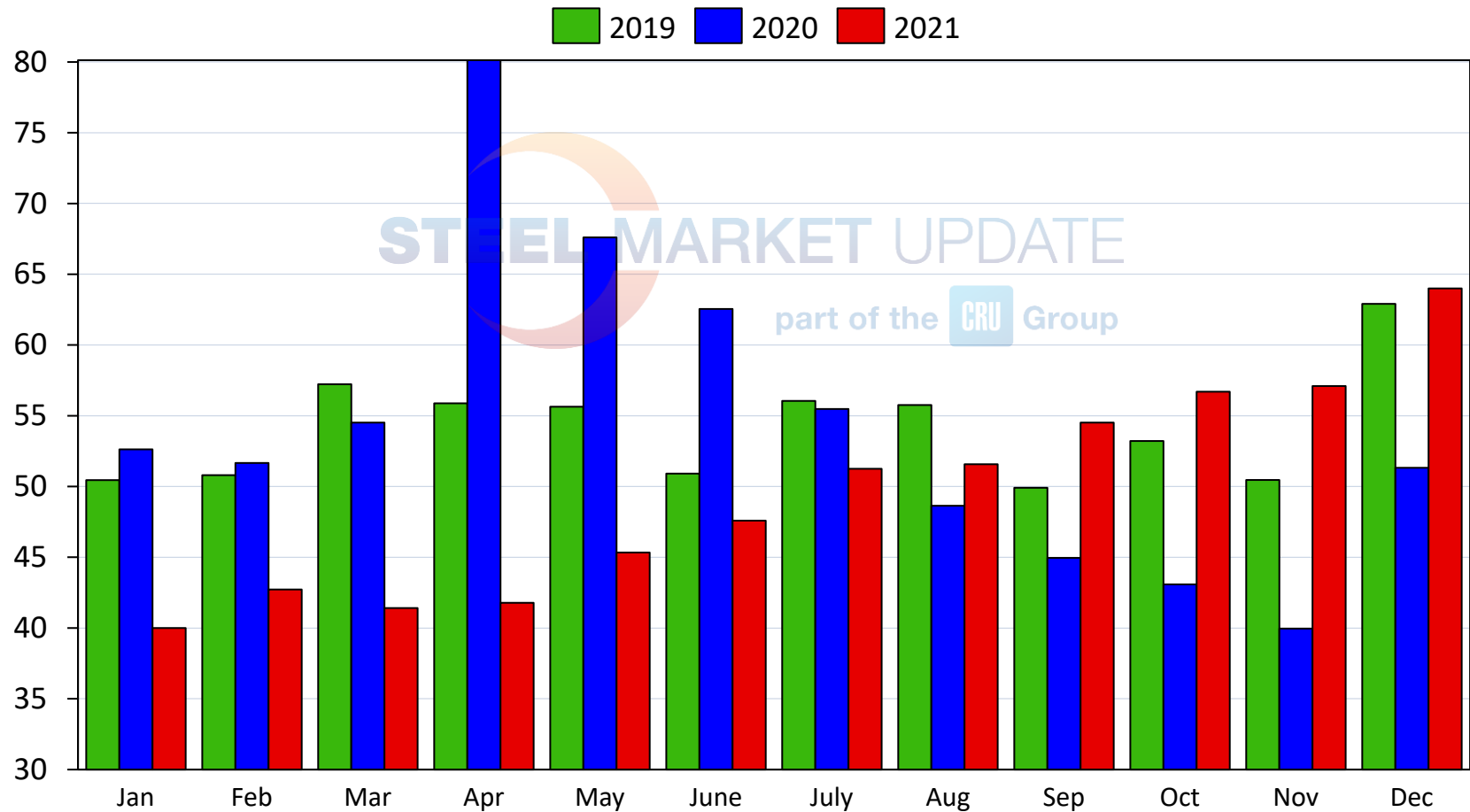


# SMU Hot Rolled Index vs Lead Times



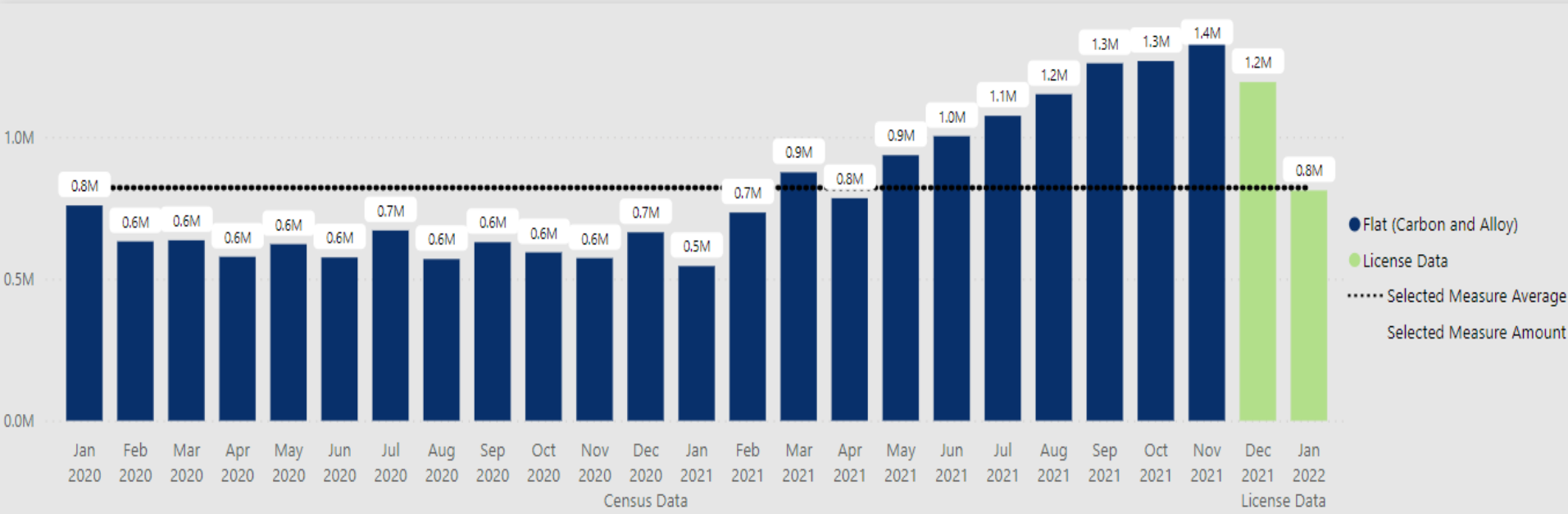
# Service Center Inventories

## Shipping Days of Supply – Flat Rolled



# Steel Imports – Still Rising?

U.S. Imports of Flat (Carbon and Alloy) (for Domestic Consumption) From World (Quantity in Metric Tons) (Licensing Data Collected through 01/25/2022)



Source: United States Department of Commerce, Enforcement and Compliance





**Alan Price** is a partner at Wiley and chair of the firm's International Trade Practice, which has been recognized by Law360 as "Practice Group of the Year" for nine consecutive years. He has more than 30 years of experience representing clients in high-profile, complex international trade regulatory matters.

Also, Price represents numerous domestic steel and aluminum producers on trade matters. He counsels clients on antidumping and countervailing duty investigations, bilateral and multilateral agreements, trade legislation, customs regulation, national security matters, trade-related climate change issues, escape clause investigations, and WTO dispute resolution.

He often represents clients in matters before the Court of International Trade, the White House, Congress, the International Trade Commission and the Commerce Department.

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# **Steel Market Update Community Chat**

**January 26, 2022**

**Alan H. Price  
Wiley Rein, LLP**



# Disclaimer

- This discussion is intended to provide general news about legal developments and should not be construed as providing legal advice or legal opinions. You should consult an attorney for any specific legal questions. This session is also intended for a private audience and comments are not for publication in the media or any other public outlet.
- This discussion represents my personal views on the subject matter and is not intended to represent the views of Wiley or its clients.



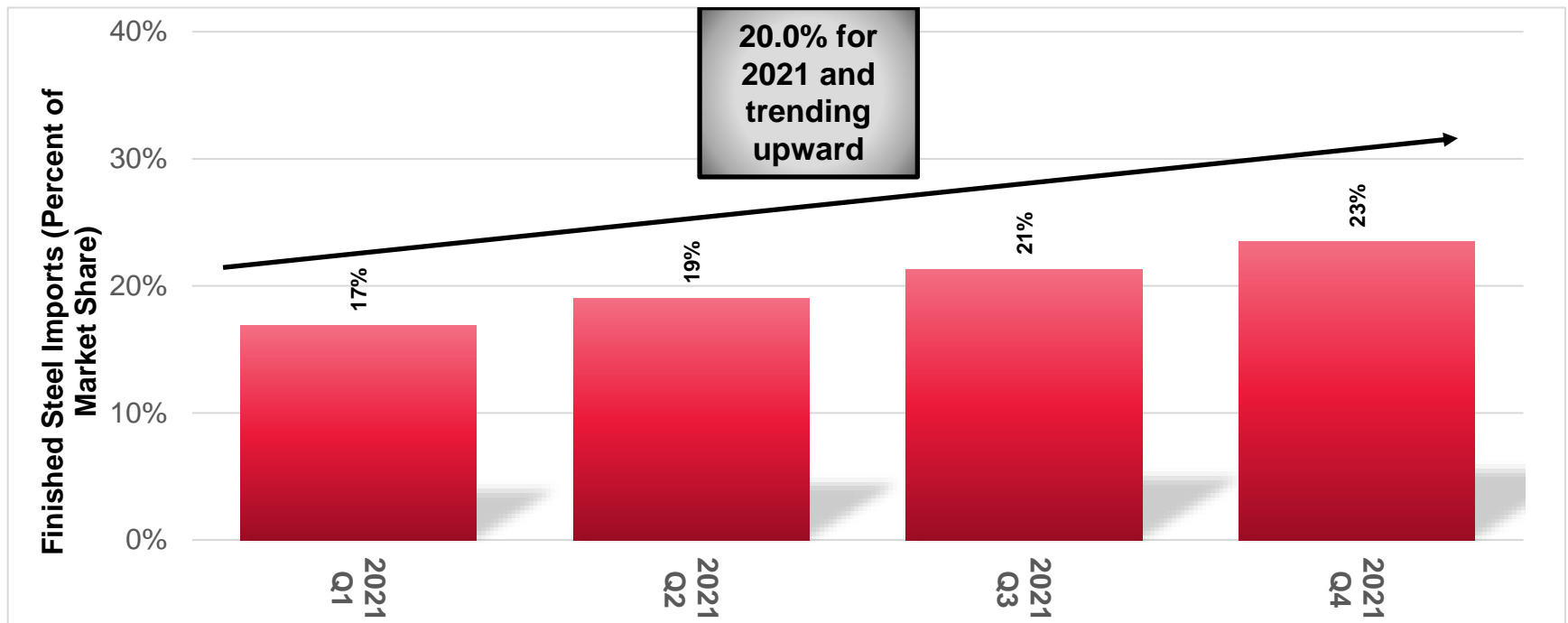
# Biden Administration Overview

- Key themes:
  - Shift to a “worker-centric” trade policy
    - Less emphasis on new FTA’s
  - Continuation of many Trump Administration policies
    - Refinement of policies, but not wholesale changes (yet)
  - Some adjustments with respect to key allies
    - EU, Japan, UK
  - Trade less of a priority – except for China
    - Continued “decoupling” from China
    - Some trade priorities being driven by Congress, not the Administration

## Section 232

- Section 232 tariffs on steel and aluminum largely remain in place, though coverage is limited due to exclusions
- Agreement reached with the European Union
  - Tariff-rate quotas
- Negotiations have now begun with Japan and UK
- See Jan. 19 U.S.-UK joint statement on “addressing global steel and aluminum excess capacity”

# 2021 U.S. Steel Import Market Share



# Climate Policy as New Trade Flash Point?

- U.S. and EU have agreed to work towards a global sustainable steel and aluminum framework
- EU is moving forward with various climate policies
  - Carbon border adjustment mechanism (CBAM) proposed in July 2021: likely results in trade diversion and may not be WTO-consistent
  - Waste regulations proposed in Nov. 2021: Affects steel scrap and could distort global trade flows
- No immediate path forward for comparable U.S. climate policies
  - CBAM legislation introduced in July 2021 but no progress
  - No national carbon price or cap-and-trade system

# Trade Remedies

- 2022 is a critical year for sunset reviews of AD/CVD orders on steel products

<i>Corrosion-Resistant</i>		<i>Cold-Rolled</i>		<i>Hot-Rolled</i>		<i>CTL Plate</i>	
China	<b>Hearing:</b>	Brazil	<b>Hearing:</b>	Australia	<b>Hearing:</b>	Austria	<b>Hearing:</b>
India	May 19, 2022	China	May 24, 2022	Brazil	Approx. Sept./Oct. 2022	Belgium	Approx. Dec. 2022
Italy		India		Japan		China	
Korea		Japan		Korea		France	
Taiwan		Korea		Netherlands		Germany	
		UK		Russia		Italy	
			Turkey	Japan	Korea	South Africa	
			UK		Taiwan	Taiwan	
					Turkey	Turkey	





# World Trade Organization

- Appellate Body (AB) remains shut down
  - Other WTO members have called for a specific U.S. proposal, but U.S. is not in a rush – “at the appropriate time”
  - Should not assume that AB will necessarily return
- Any discussions will be part of a broader reform effort
  - Leverage for broader overhaul of negotiations as well as key GATT/WTO agreements (AD, CVD)



# Forced Labor & Import Prohibitions

- **Section 307 of the Tariff Act of 1930:** prohibits the importation of merchandise mined, produced or manufactured, wholly or in part, in any foreign country by forced or indentured labor. Such merchandise is subject to exclusion or seizure and may lead to criminal investigation
  - Withhold Release Orders (WRO), *e.g.*, cotton, tomatoes, silica, including downstream products
- **Uyghur Forced Labor Prevention Act (2021):** Rebuttable presumption that goods mined, produced, or manufactured in the Xinjiang Uyghur Autonomous Region (XUAR) use forced labor and, therefore, importation is prohibited
  - Broad supply chain impact: upstream inputs and downstream operations in third countries
  - Implementation ongoing: public comments, hearing, enforcement, report to Congress
  - Implementation also involves examination of imports using forced labor elsewhere in China



# Thank You

Thank you for attending our SMU Community Chat. And a special thank you to Mr. Price for his participation today.

To contact Michael Cowden: [Michael@SteelMarketUpdate.com](mailto:Michael@SteelMarketUpdate.com)

To contact Alan Price: [APrice@wiley.law](mailto:APrice@wiley.law)

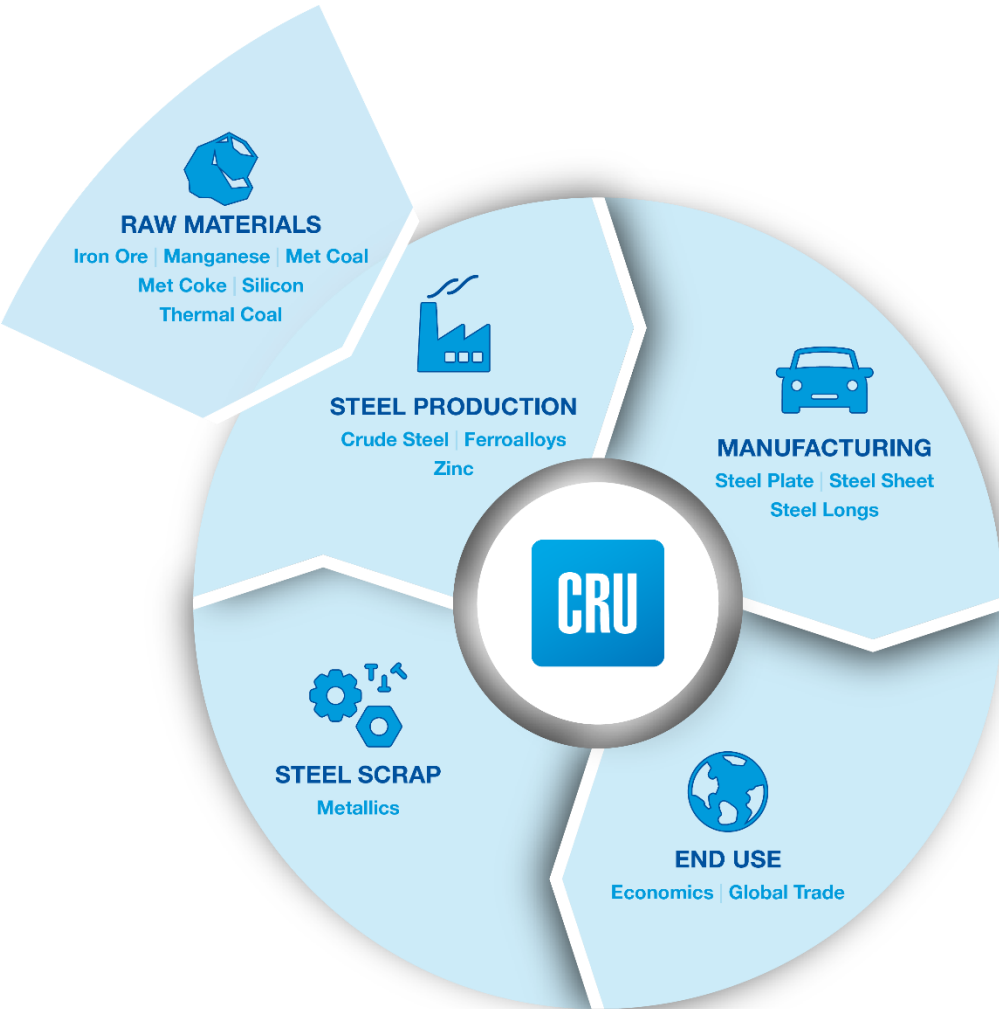
For information about subscribing to SMU, contact Paige Mayhair: [Paige@SteelMarketUpdate.com](mailto:Paige@SteelMarketUpdate.com)

To participate in our survey contact Brett Linton: [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com)

To become a data provider for our service center inventory report, contact Estelle Tran: [Estelle.Tran@CRUGroup.com](mailto:Estelle.Tran@CRUGroup.com)

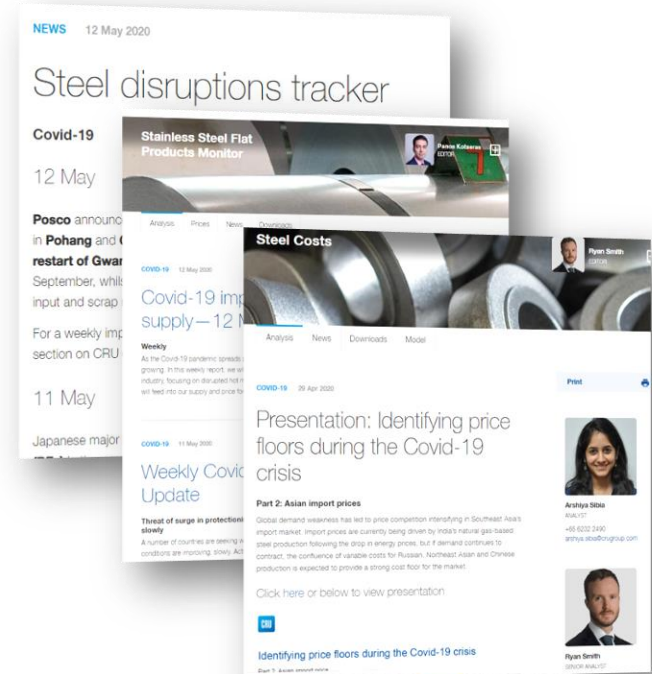
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