

STEEL AND ALUMINUM

U.S.-UK Joint Statement

March 22, 2022

Given the joint desire of the United States and the United Kingdom to address non-market excess capacity so as to preserve their critical steel and aluminum industries, the United States and the UK will implement the following arrangement.

Ongoing cooperation

- a. Customs Cooperation: Both sides agree to expand U.S./UK coordination involving customs matters. The United States and the UK will also share publicly available information and best practices, as appropriate, on topics including how detection of fraud, evasion and circumvention of duties is approached. Officials may also coordinate industry engagement with relevant sectors to hear their views and share observations and concerns. Customs cooperation may take the form of mutual administrative assistance in accordance with the U.S.-UK Agreement on customs cooperation and mutual assistance in customs matters.
- b. Trade Remedy Cooperation: The United States and the UK agree to share publicly available information on trade remedies and best practices, including on possible self-initiation of trade enforcement actions.
- c. Monitoring: The United States and the UK will monitor steel and aluminum trade between them.
- d. Cooperation on Non-Market Excess Capacity and Carbon Intensity: While the United States and the UK have measures and protections in place to address issues relating to unfairly traded imports and surges in imports of products, and to ensure domestic industries operate in market-oriented conditions, both countries recognize that these actions alone are insufficient to address the global market distortions caused by carbon intensive non-market excess capacity. In order to establish more market-oriented conditions for steel and aluminum industries, the United States and the UK will continue to take effective and appropriate domestic measures, such as antidumping, countervailing duty, and safeguard measures or other measures. The UK and the United States may share publicly available import data with respect to steel including from third-country markets and will consult each other regarding import surges to enable each country to take appropriate steps to address non-market excess capacity effectively and in a timely manner.

The UK and the United States will confer on non-market excess capacity and on the situation in global steel and aluminum markets, including market trends and price differences between markets, domestic industry's conditions, and analysis on import and export data, including as to third-country markets. The United States and the UK will also confer, upon request of either government, on market-distorting influence or ownership in their respective steel and aluminum industries. The United States and the UK agree to regularly meet to consult with a view to considering additional actions in

order to contribute to adjustments and solutions to address non-market excess capacity in the global steel and aluminum sectors.

The UK and the United States will confer on entering into discussions on global steel and aluminum arrangements to address both non-market excess capacity as well as the carbon intensity of the steel and aluminum industries. To facilitate these discussions and seek shared understandings, the UK and the United States will (1) share publicly available data and analysis on non-market excess capacity and its effects on their respective steel and aluminum industries and (2) confer on methodologies for calculating steel and aluminum carbon-intensity and will to the extent feasible share relevant data, including relating to emissions in the steel and aluminum sectors.

- e. Review: The United States and the UK agree to review the operation of this arrangement, and ongoing cooperation, on an annual basis, including in light of changes in the global steel and aluminum markets, U.S. demand, and imports.

U.S. Entry Requirements, UK Annual Strategic Audit and UK Procedures

- a. Steel from any UK steel production facility will be admitted into the United States at the in-quota rate under the applicable tariff rate quota (TRQ) for UK steel (until such time as that quota is exhausted) provided it is “melted and poured” in the UK and imported into the United States from the UK or the EU, as per the provisions in the U.S. Statement of March 22, 2022, paragraphs 3.a and 3.b in the section titled “Steel Tariff-Rate Quota”.
- b. The United States and UK are committed to ensuring that steel exports from the UK to the United States under the applicable TRQ for steel are not supported by market distorting practices. To this end, the UK will provide to the United States, in the case of any known UK steel producer that is owned or controlled by a company registered in China or a Chinese entity, and which exports steel to the United States under the applicable TRQ for UK steel, an attestation. The attestation will be based on an annual strategic audit conducted by an independent third party, to the effect that there is no evidence of market distorting practices by that producer in the UK that would materially contribute to non-market excess capacity of steel. The audit will include an assessment of the steel producer’s and its (if any) UK parent company’s financial records including any subsidy provided by any Government controlled or directed entity in China, and any other relevant records to allow the auditor to evaluate whether there are any market distorting practices in the UK by that producer that would materially contribute to non-market excess capacity of steel. The results of such audit will be made available to the United States upon completion. The United States will protect any audit properly identified as containing proprietary information from public disclosure to the extent permitted by U.S. law.
- c. Steel from any UK steel producer that is owned or controlled by a company registered in China or a Chinese entity will be eligible for entry at the in-quota rate for 6 months from June 1, 2022 within which the UK will provide the first annual attestation. If the attestation is not provided by December 1, 2022 and then annually on December 1 thereafter, the United States reserves the right to temporarily deny

access for the UK steel producer to the in-quota rate for the applicable TRQ. Where at any time access has been denied, and where the UK submits an attestation, the United States will restore the access of the affected producer to the in-quota rate within 8 weeks. Where a UK steel producer has been denied access to the in-quota rate for the applicable TRQ, the U.S. 232 exclusion process referred to in paragraph 4 of the U.S. Statement of March 22, 2022 on Steel Tariff-Rate Quota remains available to that producer.
