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September 2023

187,000 Jobs Added In August As Unemployment Rises To 3.8%

Hiring unexpectedly picked up in August as employers added 187,000 jobs despite high interest rates and inflation but payroll gains over the summer were revised down sharply.

The unemployment rate, which is calculated from a separate survey of households, rose from 3.5% to 3.8%, highest since February 2022, the Labor Department said Friday. That's because of a surge of Americans into the labor force, which includes people working and looking for jobs.

Economists surveyed by Bloomberg had estimated that 168,000 jobs were added.

Yet payroll growth for June and July was revised down by a whopping 110,000, portraying a much weaker picture of employment growth over the summer than previously thought. And job gains in August were expected to be affected by several unusual crosscurrents, making it tough to discern if the latest numbers reflect overall hiring trends or one-offs. Full Story ***Source: USA Today 08.01.2023***

Economists Trim China Growth Forecasts,See More PBOC Easing

China's economic outlook is showing no signs of improvement, with forecasters broadly trimming their expectations for growth, prices and trade and predicting more monetary policy easing. Economists now see gross domestic product expanding 5.1% in 2023 from the prior year, according to the median estimate in the latest Bloomberg survey. That's down from an earlier expectation of 5.2% and brings projections closer to the government's target of about 5% — a number widely seen as conservative when it was set in March.

The downgrade is attributable in part to lower projections for growth in the third quarter: Economists now see GDP expanding 4.4% in the July-to-September period from a year ago, down from an earlier expectation of 4.6%. Growth is expected to slow to 4.5% in 2024, down from a projection of a 4.8% expansion previously. The growth momentum is slowing "due to a worsening residential property investment decline and a drag from poor export numbers," said Mike Gallagher, director of research at Continuum Economics. The research firm sees GDP expanding 4.9% this year. Full Story ***Source: Bloomberg, 08.29.2023***

Fed's Powell Unsure Of The Need To Raise Interest Rates Further

Federal Reserve Chair Jerome Powell on August 25 said the central bank remains unsure of whether more interest rate hikes are needed. In a speech kicking off the Jackson Hole retreat, Powell promised that the central bank will move carefully given "cloudy" economic outlook and said the central bank would assess the incoming data. "Based on this assessment, we will proceed carefully as we decide whether to tighten further or, instead, to hold the policy rate constant and await further data," Powell said.

In his remarks, Powell repeated his firm intention to get inflation back to the 2% target. He rejected calls to raise the Fed's 2% target and took no victory lap for the recent benign inflation readings, saying it was just the beginning of what was needed. Powell said inflation remained "too high," he said. The Fed "will keep at it until the job is done."

"We are prepared to raise rates further if appropriate and intend to hold policy at a restrictive level until we are confident that inflation is moving sustainably down toward our objective," Powell said at the beginning of his remarks. Powell said that, getting inflation back to 2%, "is expected to require a period of below-trend economic growth as well as some softening in labor market conditions."

Many analysts think that economic growth could be reaccelerating in the third quarter, and this could change the Fed's view that it is near the peak level of interest rates. Powell said the Fed was "attentive" to these signs. "Additional evidence of persistently above-trend growth could put further progress on inflation at risk and could warrant further tightening of monetary policy," Powell said.

In a similar vein, Powell said that the labor market was beginning to soften but that rate hikes might be needed if the labor market strengthened.

"Evidence that the tightness in the labor market is no longer easing could also call for a monetary policy response," he said.

But there were factors slowing growth. The recent rise in long-term bond yields, along with more stringent bank lending standards, had contributed to tighter financial conditions. "This tightening typically contributes to a slowing in the growth of economic activity, and there is evidence of that in this cycle as well," Powell said.

In another nod to the doves, Powell said that the economy may not have felt the full effect yet of the Fed's rapid monetary tightening over the past year and a half. "The wide range of estimates of these lags suggests that there may be significant further drag in the pipeline," he said. Full Story ***Source: MarketWatch, 08.27.2023***

Economic News

As Economists Point To A 'Soft Landing' For The U.S. Economy, Here Are Three Financial Risks For Consumers To Watch

The forecast for the post-pandemic U.S. economy once called for a recession. Now many experts are backing off those predictions. In the latest about-face, 69% of economists surveyed by the National Association for Business Economics, or NABE, said they see a "soft landing" on the horizon. That's a "significant shift" from March's survey, according to NABE, when a similar share of respondents leaned toward a recession.

A soft landing is considered a slowdown in economic growth that avoids a recession.

A recession consists of at least two consecutive quarters of decline in gross domestic product, or GDP. Still, some experts are holding tight to their recession predictions. NABE found 20% of those surveyed believe the U.S. economy is either currently in a recession or will enter one in 2023. In recent weeks, some Wall Street firms have revised their previous recession calls. Bank of America now says a soft landing is the most likely scenario. JPMorgan has said a soft landing is possible, though elevated recession risks remain.

Meanwhile, average Americans are not as optimistic, with 71% describing the U.S. economy as either "not so good" or "poor," according to a recent Quinnipiac University poll. In comparison, just 28% of respondents said the economy is either "excellent" or "good."

Here are three key areas of the economy experts are watching that will affect Americans' money.

1. The job market is mostly strong

The U.S. would have already fallen into a recession if not for the strong job market, according to 77% of NABE survey respondents.

However, the latest jobs report showed less job growth than expected for July. "The job market is less strong compared to the early part of this year, but still fairly robust given our economic cycle," said Mervin Jebaraj, NABE economic policy survey chair. While many workers were changing jobs more in the past 12 months, "the opportunities for that have cooled somewhat," he said.

The unemployment rate is 3.5% — just above the lowest level since 1969.

2. Inflation will take time to subside

It may take more than 12 months for inflation to subside, according to 43% of NABE survey respondents. Just 7% said the pace of price growth will go down by this fall.

"People are generally in agreement the inflation rate has come down significantly and is likely to continue to go down, but maybe the speed at which it goes down is not what you would expect," Jebaraj said. The personal consumption expenditures price index, the Federal Reserve's preferred inflation measure, rose 4.1% from a year ago as of June. Meanwhile, the consumer price index was up 3.2% over the past 12 months as of July.

> **"The job market is less strong compared to the early part of this year, but still fairly robust given our economic cycle."**
>
> **-Mervin Jebaraj, NABE economic policy survey chair**

Both rates are higher than the Fed's 2% target for inflation. While the rate of inflation has come down, that does not necessarily provide relief to consumers. "That doesn't mean prices have come down; that just means that they're going up slower," said Ted Jenkin, a certified financial planner and the CEO and founder of oXYGen Financial, a financial advisory and wealth management firm based in Atlanta.

Unfortunately, once inflation does come down, prices will likely stay higher, noted Jenkin, who is also a member of the CNBC FA Council.

3. Interest rates may stay elevated

The Federal Reserve's July rate hike took benchmark borrowing costs to the highest levels in more than 22 years. Experts predict those rates will likely stay high — and could go higher — to curb inflation.

For consumers with outstanding debts, that may pose challenges as those balances become more expensive.

The Fed said in a recent senior loan officer survey that a lot of banks and firms that extend credit are dialing back and reducing credit, noted Peter C. Earle, an economist at the American Institute for Economic Research.

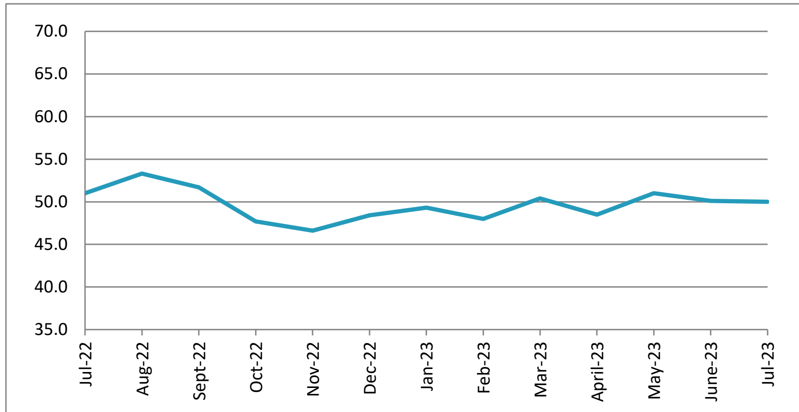
"Any consumers whose consumption is predicated on the availability of credit, even to a small amount, are likely to see that change," Earle said.

"Those with outstanding balances should also be careful of their spending, especially with federal student loan repayment set to begin and the holiday season approaching in the coming months," Jenkin said. "It's hard to outrun a 24% interest rate on your credit card."

Source: CNBC, 08.22.2023

Key Economic Indicators

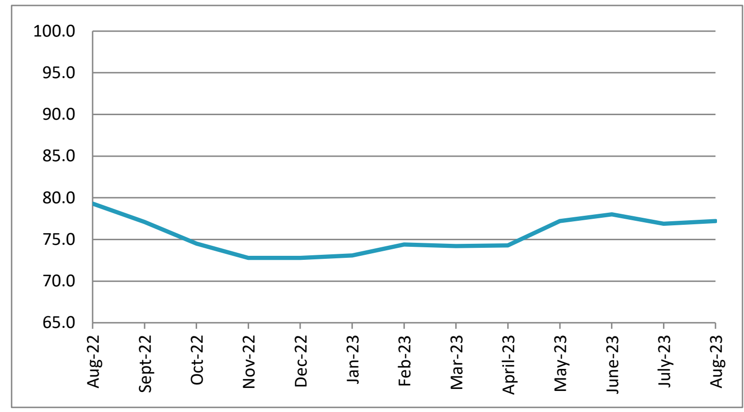
Architecture Billings Index (ABI)



The American Institute of Architects (AIA)/Deltek Architecture Billings Index (ABI) results for July signals mostly stable business conditions. The ABI score was 50.0, indicating that billings at architecture firms remained flat for the month. “This is the third straight month that billings at architecture firms have stabilized,” said AIA Chief Economist Kermit Baker, PhD. “New project work has been even stronger over this period. This suggests that design work may finally begin to increase over the coming months, although somewhat modestly.” Firms with a commercial/industrial specialization reported their strongest billings growth in more than a year, while firms with a multifamily residential specialization continued to report declining billings. While this marks the ninth consecutive month of growth for firms located in the Midwest region, firms in other regions reported modest declines in billings.

The ABI is a leading economic indicator derived from a monthly survey of AIA member-owned firms which measures demand for design services throughout U.S., providing insight into future construction activity across various sectors including commercial/industrial/ institutional buildings and multifamily residential projects. ***Source: AIA, 8.23.2023***

Steel Capability Utilization

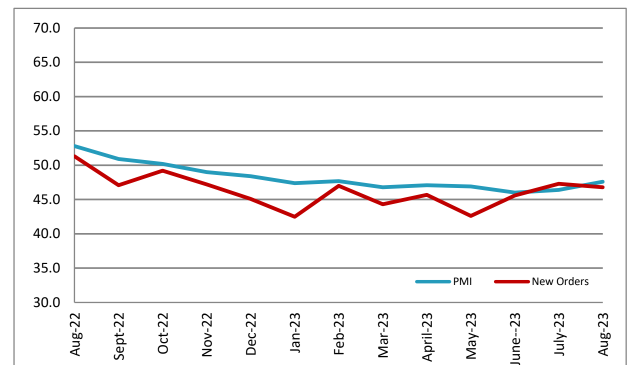


In the week ending on August 19, 2023, domestic raw steel production was 1,756,000 net tons while the capability utilization rate was 77.2%. Production was 1,719,000 net tons in the week ending August 19, 2022 while the capability utilization then was 78.0%. The current week production represents a 2.2% increase from the same period in the previous year. Production for the week ending August 19, 2023 is up 1.1% from the previous week ending August 12, 2023 when production was 1,737,000 net tons and the rate of capability utilization was 76.4%. Adjusted year-to-date production through August 19, 2023 was 56,363,000 net tons, at a capability utilization rate of 75.9%. That is down 2.0% from the 57,520,000 net tons during the same period last year, when the capability utilization rate was 79.7%. Broken down by districts, here’s production for the week ending August 19, 2023 in thousands of net tons: North East: 127; Great Lakes: 578; Midwest: 222; Southern: 761 and Western: 68 for a total of 1756.

The raw steel production tonnage provided in this report is estimated. The figures are compiled from weekly production tonnage provided by approximately 50% of the domestic production capacity combined with the most recent monthly production data for the remainder. Therefore, this report should be used primarily to assess production trends. ***Source: AISI, 08.19.2023***

Purchasing Managers Index (PMI)®

The August Manufacturing PMI® registered 47.6 percent, 1.2 percentage points higher than the 46.4 percent recorded in July. Regarding the overall economy, this figure indicates a ninth month of contraction after a 30-month period of expansion. The New Orders Index remained in contraction territory at 46.8 percent, 0.5 percentage point lower than the figure of 47.3 percent recorded in July. The Production Index reading of 50 percent is a 1.7-percentage point increase compared to July’s figure of 48.3 percent. The Prices Index registered 48.4 percent, up 5.8 percentage points compared to the July figure of 42.6 percent. The Backlog of Orders Index registered 44.1 percent, 1.3 percentage points higher than the July reading of 42.8 percent. The Employment Index registered 48.5 percent, up 4.1 percentage points from July’s reading of 44.4 percent.



The Supplier Deliveries Index figure of 48.6 percent is 2.5 percentage points higher than the 46.1 percent recorded in July. This is the highest reading in the past 11 months. (Supplier Deliveries is the only ISM® Report On Business® index that is inversed; a reading of above 50 percent indicates slower deliveries, which is typical as the economy improves and customer demand increases.)

The Inventories Index decreased by 2.1 percentage points to 44 percent; the July reading was 46.1 percent. The New Export Orders Index reading of 46.5 percent is 0.3 percentage point higher than July’s figure of 46.2 percent. The Imports Index remained in contraction territory, registering 48 percent, 1.6 percentage points lower than the 49.6 percent reported in July.” The five manufacturing industries that reported growth in August are: Printing & Related Support Activities; Transportation Equipment; Food, Beverage & Tobacco Products; Petroleum & Coal Products; and Miscellaneous Manufacturing. ***Source: IMSWorld, 8.01.2023***

Roughly 200,000 To 250,000 New Manufacturing Jobs Could Be Added In The U.S. Over The Next Two Years

Roughly 200,000 to 250,000 new manufacturing jobs could be added in the U.S. over the next two years, according to a new estimate from Goldman Sachs.

Why it matters:
The increase, which amounts to about 2% of current manufacturing employment levels, is partly due to the incentives and investments for the semiconductor and green technology sectors included in the Biden administration's signature bills, the Inflation Reduction Act and the CHIPS and Science Act.

State of play:
Construction of "manufacturing facilities," aka factories and other structures, has shot up over the past year, after the passage of these laws.

- Spending on the equipment that'll go inside all those new facilities is expected to be even greater than the money spent constructing the buildings themselves. And all that new stuff will require workers.

Zoom in:
To come up with their employment estimate, the analysts considered a few different measures.

- Looking at historical data for the regions where most of the hiring is expected (in the western U.S. especially), they found that every $1 million increase in manufacturing construction spending leads to roughly nine new manufacturing jobs.
- Since they expect spending to be around $65 billion over the next two years, that pencils out to 585,000 new jobs.
- The hitch is the labor market. The Goldman analysts reckon that estimate is too high because of "labor supply bottlenecks."
- They also take into account historical hiring patterns across industries.

Stunning stat:
"Around one-third of the total private investment pledged to green and semiconductor manufacturing is set to occur in Arizona," Goldman analysts write. (That's largely due to investments from TSMC and Intel.) ***Source: Axios, 08.21.2023***

Manufacturing Activity In Central U.S. Unchanged In August

Manufacturing activity in the central U.S. was unchanged in August from the previous month, while expectations for future activity improved a little. The Federal Reserve Bank of Kansas City said on August 25 that the Tenth District manufacturing survey's composite index was 0 in August. Any reading below zero suggests activity contracted from the previous month.

Economists polled by *The Wall Street Journal* had expected the index to show a contraction at minus 9. The reading reverses contractions in previous months, painting a slightly brighter picture for the region's manufacturing activity.

The Kansas City Fed survey gauges manufacturing activity in the western third of Missouri, all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming, and the northern half of New Mexico. The production index boosted the overall indicator, climbing to 12 from minus 20 the previous month. The shipments index rose to 1, while the new orders index contracted at a slower rate of minus 3.

"Regional factory activity was basically flat in August," said Chad Wilkerson, senior vice president at the Federal Reserve Bank of Kansas City. "Firms also reported another decline in finished product prices but anticipate output prices to rise in coming months," he said.

The Firms' short-term outlook was slightly better. The future composite index--which gauges the outlook for the next six months--rose to 2 from minus 2 the previous month, when it remained at its lowest level since April 2020.

"Obviously at a macro level inflation is way down, but in our little corner of the world it is still a huge threat," said one respondent to the survey. "Commodities in general are just not as predictable as they used to be." ***Source: Morningstar, 08.24.2023***

NLRB Rule Speeds Up Union Elections

This summer has been marked by high-profile union efforts — the victory of UPS Inc. delivery drivers in securing a new contract with big raises, the ongoing Hollywood writers and actors strikes, and even the looming threat of an autoworkers strike.

Now the National Labor Relations Board (NLRB) has finalized a rule that would dramatically speed up union elections. The new rule, announced on August 24, essentially will narrow the timeline to get to an election. Among its provisions, it will shorten the period before a pre-election hearing and will take away discretion from NLRB regional directors to delay hearings.

"It is a basic principle of the National Labor Relations Act that representation cases should be resolved quickly and fairly," said NLRB Chairman Lauren McFerran in a statement announcing the rule. "By removing unnecessary delays from the election process, the new rule supports these important goals, and allows workers to more effectively exercise their fundamental rights."

The new rule takes effect December 26. The changes from the previous rule include:

- Regional directors will schedule elections for "the earliest date practicable" after issuance of a decision and direction of election, rather than observing a 20-business-day waiting period imposed by a predecessor 2019 rule.
- Regional directors will have less discretion to postpone hearings.
- Pre-election hearings will now be scheduled to open 10 days sooner.
- Written responses to a unionization petition will be due three days sooner.
- Petitioners will be able to respond orally to the other party's statement of position at the start of the pre-election hearing rather than having to delay the hearing to serve a written response.
- Employers will have to post and distribute the notice of petition for an election three days sooner.
- Perhaps most importantly, any issues on eligibility and who is included in the union petition will be litigated after the election rather than before, to cut down on what the NLRB said was "unnecessary and inefficient" litigation.

The final rule undoes a previous rule finalized under the Trump Administration. That rule, in turn, was a reversal of a rule from the Obama Administration in 2014 — which itself was a reversal of a longer-standing rule governing union election timelines.

Rob Boonin, a management-side labor and employment attorney from law firm Dykema, said the new rule was made without regard for practicalities and is consistent with the current NLRB's efforts to "tip the scales in favor of unions." He estimated union elections will go from taking 37 days to 23 days — about two weeks less.

That is just one of what Boonin said is a series of radical changes to labor law for both unions and for non-union workers —we have outlined some of those here.

He said the current timeline helps employers get their own message out about unions so workers can make informed decisions when an election does happen.

"Is that really protecting the interest of the employees and the employers any better? That's speed for the sake of speed," Boonin said.

Steps businesses should take

So what should business owners and managers be doing? "They should be consulting with their labor counsel and going over which parts of their operations should be vulnerable to organizing and if there are ways they can limit organizing to a few groups of employees," Boonin said.

Companies also should make sure to bolster their employment relations and ensure that employees know where the company stands on unions so they have the information ahead of time in case of a union-organizing effort.

"I do think that being proactive before there's a campaign is something that employers have to rethink and consider being more proactive," Boonin said. "They need to be more direct about why this is a great place to work."

He added that companies should review current job descriptions to make sure they paint a clear picture of which workers are supervisory and which ones are not — as supervisory workers can represent management in messaging while non-supervisory workers would be part of the union effort.

Additional NLRB actions

Companies also should be reviewing which employees count as independent contractors, the result of another effort by the NLRB. A decision issued by the agency earlier this summer overrules a litmus test established during the Trump Administration in 2019 for how businesses classify independent contractors in favor of an earlier test (one known as the FedEx Home Delivery standard) established in 2014.

NLRB General Counsel Jennifer Abruzzo also recently sent a memo throughout the agency saying noncompete agreements — which typically prevent a former employee from seeking employment in a similar industry for a certain amount of time and within a certain geographic distance — infringe upon employee rights to take collective action to improve their working conditions.

Additionally, the NLRB issued a memo to field offices on March 22 after an earlier ruling, which does not apply to supervisory workers, found that a severance agreement for 11 union workers that included broad no disparagement and confidentiality terms was unlawful because those terms would interfere with the workers' rights to organize their workplace and in general call for better working conditions or other issues. ***Source: Business Journals, 08.25.2023***

U.S. Steel Industry Well-Equipped To Meet Demand Surge From Inflation Reduction Act, CHIPS Act

The IRA and CHIPS Act are "positive" for the steel industry partially due to the $370 billion in funding given in the form of tax incentives, which will spur new projects that demand steel, Kevin Dempsey, the president and chief executive officer of American Iron and Steel Institute (AISI), said on August 11. The IRA establishes "Make it in America" provisions for the use of American-made equipment for clean energy production. The law provides expanded clean energy tax credits for wind, solar, nuclear, clean hydrogen, clean fuels and carbon capture. Similarly, Scott Paul, president of the Alliance for American Manufacturing, said that the combined force of the CHIPS Act, the IRA and the bipartisan infrastructure law will boost steel demand in the U.S.

What the market is demanding is steel products with a lower greenhouse gas emissions density.

- Kevin Dempsey
president and chief executive officer of American Iron and Steel Institute

"The infrastructure [bill] will certainly help with structural steel and steel that goes into highways and bridges. There's a sizable investment there. For the market for some wind components and solar that fabricate steel for solar panels and solar farms, that's going to be quite important, and from the CHIPS and Science Act and the building construction to the extent that the companies are sourcing their structural steel from the U.S. for construction, that's going to help that segment of the market," Paul said. "On top of increasing domestic steel demand, the IRA and CHIPS Act will also support the steel industry's decarbonization drive," Phil Bell, president of the Steel Manufacturers Association, told Fastmarkets.

"You have two pieces of legislation that are not only going to make our environment better but are also going to increase the demand for steel. All of those solutions for decarbonization and having a greener environment, steel is the solution for the solution providers because steel will go into wind, solar, electric vehicles, renewable energy projects, hydrogen hubs, pipelines," Bell said. The AISI estimates that each $1 billion invested in infrastructure spending requires about 50,000 net tons of steel.

Even though the U.S. steel industry is not currently operating at full capacity the sources said, there is enough capacity to meet the rise in steel demand expected to be generated from the policies without the need to look overseas for material, according to the sources. "We're nowhere near running at full capacity today, so there's certainly more steel that can be produced today from existing facilities and then we have millions of tons of new capacity coming online over the next couple of years. There's going to be plenty of steel production available in the U.S. We're seeing a lot of new demand, but it definitely can be met by the domestic industry," Dempsey said.

"In general, U.S. mills are operating on any given month at about 76-77% of capacity. So there's certainly room for growth to meet that demand. That's entirely possible without having to depend on imports to fill the gap," Paul said. "Domestic steelmakers can step up and fill the need here. I'm confident that…steel companies will be looking for demand signals to scale up growth in those as well," Paul added.

The IRA promotes "Build American" clean energy supply chains, by incentivizing domestic production in clean energy technologies like solar, wind, carbon capture and clean hydrogen. "When you look at where that money is going, it's going in all aspects of the steel supply chain. There are new projects that are investing in DRI [direct-reduced iron]. There are new projects that are investing in hydrogen hubs, carbon capture, and even the use of nuclear energy to power steel plants," Bell said. "All indications are we're seeing a real boom in development of new clean energy, in wind and solar, and we're going to see more in nuclear as well, and that is being driven and will continue to be driven by the incentives and the Inflation Reduction Act," Dempsey said.

He added: "The CHIPS and Science Act has money focused on a particular semiconductor industry, but that's leading to this build out of new [fabrication facilities] that we think are going to be very steel intensive. We expect a lot of a lot of new demand coming from that as well. Probably not quite in the same order as the Inflation Reduction Act, but also positive." The CHIPS and Science Act – aimed at boosting domestic manufacturing – provides $52.7 billion for American semiconductor research, development and manufacturing, according to the White House.

The investments going into the production of clean energy in the steel supply chain come amid a larger push in the industry to lower greenhouse gas emissions in the steelmaking process. We're going to see more and more lower emitting steel products coming online. "What the market is demanding is steel products with a lower greenhouse gas emissions density. We are seeing every steelmaker across the board in the U.S continuing to invest and make innovations to further reduce their carbon emissions profile. We're going to see more and more lower emitting steel products coming online," Dempsey said. He noted strong demand among customers in the construction and automotive market, who want their entire supply chains to emit as low carbon as possible. Dempsey also said that steelmakers are responding to the demand by producing low carbon-emitting products. Full Story ***Source: Fastmarkets, 08.16.2023***

UBIS Seeks Input On Updates To Section 232 Exclusion Process

The Commerce Department's Bureau of Industry and Security is calling for public feedback on proposed revisions to improve the product-exclusion process for Section 232 duties on steel and aluminum products. On August 28, the agency requested comments as part of a proposed rule that follows several rounds of interim final rulemaking since the tariffs were first imposed in 2018 under Section 232 of the Trade Expansion Act of 1962. It also is responding to a batch of public comments solicited by BIS last year. Industry groups and some lawmakers have roundly criticized the exclusion process since it was launched – and have repeatedly called on the agency to simplify it and provide more transparency. The proposed rule "finalizes" the interim rules and outlines four key changes the agency contends will help streamline the process, as described in BIS's Aug. 28 Federal Register notice.

First, the rule would modify the agency's criteria for identifying "General Approved Exclusions," a system established in 2020 to reduce the volume of requests for exclusions that were consistently approved because the products were not available in the U.S. Under the existing system, BIS' criteria for identifying such products have "focused most heavily" on whether a certain harmonized tariff schedule code has received objections and less on the substance of those objections – meaning a party could effectively block products from receiving GAE status by submitting unsubstantiated objections, as described in the notice. "This undermines the effectiveness of the Section 232 exclusions process, creates unnecessary burdens on BIS and industry, and reduces the fairness and efficiency of the process," the notice states.

Accordingly, BIS proposes broadening the GAE criteria to include products "with very low rates of successful objections" – a change it says could result in "up to a twenty percent reduction" of exclusion requests submitted to the agency. Second, the rule would create a parallel "General Denied Exclusion" process, a system sought by commenters who submit objection requests, according to the notice. "While it is difficult to estimate the expected annual reduction in exclusion requests, BIS anticipates an improvement in efficiency as well as increasing fairness in the process by providing a process comparable to the GAE process," the agency wrote.

Similar to the GAE process, the GDE system generally would apply to products that "have very high rates of successful, substantiated objections," the notice states, adding that this change "would be applied in a manner that would increase efficiency and have little impact on which products are ultimately subject to or excepted from the tariffs."

A third change would place increased obligations on requesters by requiring them to certify that "they have first made reasonable efforts to source their product from the U.S. and then, if unsuccessful in sourcing from the U.S., that they have made reasonable efforts to source their product from a country with which the U. S. has arrived at a satisfactory alternative means to address the threat to the national security under Section 232," as stated in the notice. Such countries include Argentina, Australia, Brazil, Canada, the European Union, Japan, Mexico, South Korea and the United Kingdom, the agency notes.

Requesters would be required to submit "evidence of the certified sourcing attempts" along with their certification, the agency added. BIS said it was seeking comments on how to define such evidence. Those obligations would add to existing certification requirements introduced in 2020 after BIS found that some requesters were filing exclusion requests for "high volumes" of products that they never ultimately imported. Such actions contribute to inefficiencies at the agency and reduce "the accuracy of data used by BIS to generate informed policy decisions on the Section 232 national security measures," BIS says.

According to a report issued last month by the Government Accountability Office, BIS had not evaluated the results of the 2020 change. Accordingly, the agency "lacks key information about whether it has helped ensure exclusion requests are needed and has improved the efficiency of the exclusion approval process," GAO wrote.

A final change would add certification language on the objection form "to further ensure objectors can supply comparable quality and quantity steel or aluminum and make it 'immediately available' to requestors," the notice states, citing a definition of "immediately" as "within eight weeks" of a purchase or, if that's not possible, within a shorter period than it would take a requester to obtain the products from its foreign supplier.

The agency said it welcomed comments "on whether this standard is appropriate for the certification or if a different time period should be specified," among other questions. ***Source: Inside Trade, 08.28.2023***