

Congress of the United States

Washington, DC 20510

May 24, 2022

Commissioner Jason E. Kearns

U.S. International Trade Commission
500 E Street, SW
Washington, D.C., 20436

Dear Commissioner Kearns,

As members of the Congressional Steel Caucus, we believe the domestic steel industry should remain strong and the U.S. should aggressively enforce U.S. trade laws. U.S. trade laws allow the American steel industry to mitigate the harm inflicted on it by unfairly traded foreign imports. In 2015 and 2016, after years of unfair trade, domestic producers sought trade relief on four critical steel products: corrosion resistant steel (CORE), cold-rolled steel, hot-rolled steel, and cut-to-length plate. Domestic producers brought these cases as they were facing the crippling effects of a surge of foreign imports which took a record 29 percent of the U.S. market in 2015, bringing the industry's capacity utilization rate to as low as 70 percent.

After detailed investigations by the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC), those agencies concluded that for each of the products described above, foreign producers were engaging in unfair trade and those unfairly traded imports were causing material injury to domestic producers and ordered anti-dumping and countervailing duties. Those orders are now subject to five-year sunset reviews by the DOC and ITC.

Domestic producers began recovering in the years after the orders went into place, but like the rest of the world, faced severely suppressed demand and production levels during 2020 due to the global pandemic. As the economy and demand have begun to rebound with our emergence from the pandemic, so too has the domestic steel industry's production levels. However, foreign imports surged into the U.S. market again. In 2021, foreign imports were up 43 percent, taking 21 percent of the U.S. market for all steel products. There is no indication that imports are going to slow down in 2022, as steel imports are up 28 percent in the first quarter of 2022 versus the first quarter 2021.

Global overcapacity in steel markets remains a significant issue. A recent OECD Steel Committee meeting heard reports that producers in Southeast Asia expect to bring over 90 million metric tons of steelmaking capacity online over the next 5-6 years. The OECD is also projecting that global steel demand will stagnate and potentially decline this year, partly as a result of the ongoing conflict in Ukraine. These developments will contribute to overcapacity, leading to a new flood of steel imports that could devastate domestic steel producers, just as they begin to recover from the effects of the pandemic – and this problem will be much worse if these orders are not maintained. As we have seen from the pandemic and supply chains shortages, Americans need a strong and healthy steel industry. Steel, including the flat steel products at issue here, is the backbone and key material for so many critical supply chains necessary for our national and economic security. We cannot lose the tens of thousands of good-paying, middle class jobs that could be impacted by these orders.

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As such, we encourage you to give the steel industry trade cases full and fair consideration, as we believe they are critical to ensuring our domestic steel sector is strong:

- Corrosion-resistant steel products (“CORE”) from China, India, Italy, Korea, and Taiwan
- Cold-rolled steel flat products (“CR”) from Brazil, China, India, Japan, Korea, and the United Kingdom
- Hot-rolled steel flat products (“HR”) from Australia, Brazil, Japan, Korea, Netherlands, Russia, Turkey, and the United Kingdom
- Carbon and Alloy Steel Cut-to-Length Plate (“CTL Plate”) from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey

We appreciate your attention to this matter and if you have any questions please do not hesitate to reach out to our offices.

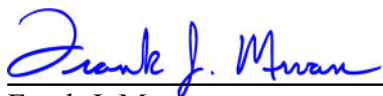
Sincerely,



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Member of Congress



Mike Bost
Member of Congress



Frank J. Mrvan
Member of Congress



Eric A. "Rick" Crawford
Member of Congress



Bill Johnson
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Marcy Kaptur
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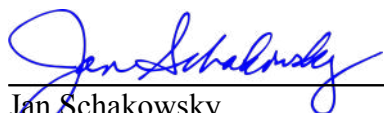
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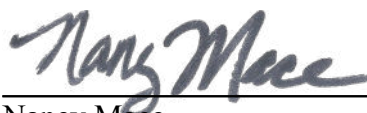
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Mike Doyle
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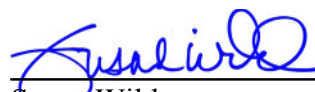
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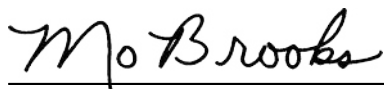
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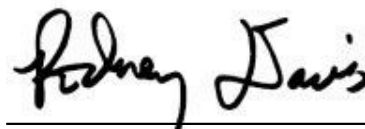
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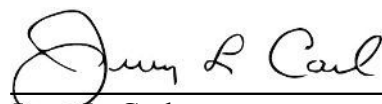
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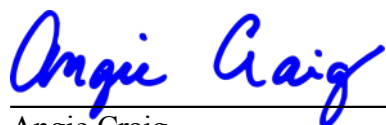
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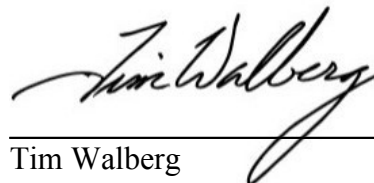
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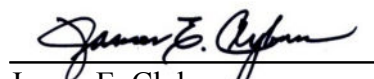
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Joe Wilson
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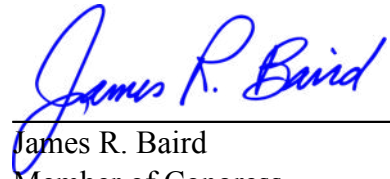
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