

Congress of the United States
Washington, DC 20515

October 8, 2014

The Honorable Penny Pritzker
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Ave, NW
Washington, D.C. 20230

Dear Secretary Pritzker,

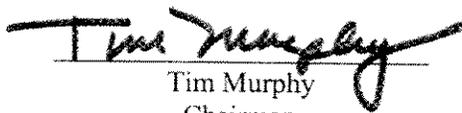
We write today to urge the Department of Commerce to revoke the current Suspension Agreement (“Agreement”) between the United States and Russia on hot-rolled steel imports. The Agreement, which was implemented in 1999 and updated in 2012, exists in lieu of an antidumping duty order on hot-rolled steel from Russia. Contrary to its statutory purpose, the Agreement has been ineffective in preventing harm to the domestic industry caused by a surge in low-priced imports of Russian hot-rolled steel in recent years. The Agreement was intended to prevent the unfair undercutting of U.S. prices, but it has ceased to be effective. The domestic industry has therefore requested that the Agreement be terminated in favor of an antidumping duty order, and we urge the Department to grant this request.

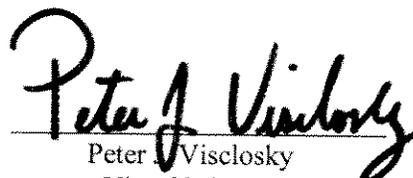
As leaders of the Congressional Steel Caucus representing thousands who make a living in steel, we are deeply concerned about the economic harm unfairly-traded imports have had on the domestic steel industry, workers, and their communities. In recent years, imports of Russian hot-rolled steel have become a significant part of the problem. In 2014, imports of hot-rolled steel from Russia have surged into the United States by an astonishing 2,182% and at prices that are consistently below domestic industry products and for imports from other foreign nations. Under these circumstances, the Agreement is failing to meet its intended purpose in preventing Russian hot-rolled steel from undercutting U.S. prices and causing economic harm.

The Agreement was originally implemented under statutory provisions that apply only to non-market economies, and Russia is now considered a market economy. Termination of this outdated and ineffective Agreement in favor of an antidumping duty order would end the preferential treatment that the Russian steel industry has enjoyed at the expense of the domestic steel industry and its workers. It would also place Russia on the same footing as our other important trading partners, such as Japan and Korea, which have antidumping duty orders on steel products.

The domestic hot-rolled steel industry should not have to continue to suffer harm from surging imports of low-priced Russian hot-rolled steel under an Agreement that no longer serves its statutory purpose or the economic interests of the United States. As a result, we urge the Commerce Department to immediately terminate the Suspension Agreement on hot-rolled steel from Russia and impose an antidumping duty order on such imports consistent with U.S. law.

Sincerely,


Tim Murphy
Chairman
Congressional Steel Caucus


Peter J. Visclosky
Vice Chairman
Congressional Steel Caucus