

Congress of the United States
Washington, DC 20515

March 30, 2016

The Honorable Barrack Obama
The White House
1600 Pennsylvania Ave. NW
Washington, D.C.20500

Dear Mr. President:

As Chairman and Vice-Chairman of the Congressional Steel Caucus, we write to urge you to ensure that the Department of Commerce (Commerce), U.S. Customs and Border Protection (CBP), and the International Trade Commission (ITC) are utilizing all the trade enforcement tools provided to them by Congress to address the illegal trade practices of our foreign competitors.

We are concerned by the surge of unfairly traded imports that are crippling the American steel industry. Year-end import data for 2015 clearly reflects the severity of the crisis: foreign steel imports took a record 29 percent share of the domestic flat-rolled steel market which resulted in American steel mills idling 30 percent of their operating capacity. Imports of other steel products were even higher, with imports capturing 44 percent of the pipe and tube market. In 2015, American steel mills shipped 12 percent fewer tons of steel than in 2014, and a number of mills were forced to shut down operations and lay off over 12,000 employees. Across the board and in nearly every sector, excessive levels of imports are leading to plant shutdowns, worker dislocation, and economic losses across the nation. We must act now to protect this critical industry and the hardworking steelworkers who support our communities. And, Congress has acted by passing two critical pieces of bipartisan legislation that provide Commerce, CBP, and the ITC with enhanced tools to combat illegal trade practices.

Last summer, Congress passed the Trade Preferences Extension Act of 2015 (P.L. 114-27), which was signed into law on June 29th and made important improvements to U.S. antidumping and countervailing duty laws. One such improvement provides Commerce increased discretion to apply “adverse facts available” when foreign companies and their governments fail to cooperate with Department investigations. We urge you to require that Commerce aggressively utilizes the tools provided by P.L. 114-27 when investigating trade cases and calculating duties in pending trade investigations. It is absolutely critical that Commerce uses its authority to ensure that countries are held accountable for breaking our trade laws.

Additionally, Congress recently passed the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-27) also known as the customs bill, which was signed into law on February 24th. This law includes provisions that will provide the domestic producers with the ability to petition CBP to take action when there is evidence that foreign companies are evading the payment of antidumping and countervailing duties. The law also requires CBP to make expeditious determinations in these trade cases so that domestic producers can obtain relief as quickly as possible.

U.S. trade remedy laws provide the means by which the domestic steel industry can mitigate the harm inflicted by unfairly traded foreign imports. In order for the industry and its workers to obtain full and effective relief, Commerce must adequately assess duties to fully offset the illicitly-derived benefits foreign importers receive on account of their dumping and government subsidization. In addition, it is incumbent upon CBP to fully collect the duties assessed by Commerce through the provisions of the recently enacted Trade Facilitation and Trade Enforcement Act. The Congressional Steel Caucus will be closely monitoring whether the Administration carries out its statutory mandates when deciding the many trade cases filed in 2015.

In closing, we cannot impress upon you enough the importance of the American steel industry to the communities we represent and the national and economic security of our country. American steelworkers make the best steel in the world, and the industry provides the products necessary to meet the demands of our nation's infrastructure, defense, transportation, agriculture, and energy sectors. We implore you to use each and every tool available to you to aggressively fight unfair trade practices and ensure the American steel industry is given the opportunity to compete on a level playing field and is positioned to serve future generations.

Sincerely,



Tim Murphy
Chairman
Congressional Steel Caucus



Peter Visclosky
Vice-Chairman
Congressional Steel Caucus