United States Senate
WASHINGTON, DC 20510

October 30, 2013

The Honorable Irving A. Williamson
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

RE: Hot-Rolled Carbon Steel Flat Products from China, India, Indonesia, Thailand, Taiwan, and Ukraine: Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Second Review)

Dear Chairman Williamson:

We are writing to encourage you to maintain the existing antidumping and countervailing duty orders against unfairly traded imports of hot-rolled steel from China, India, Indonesia, Thailand, Taiwan, and Ukraine. These trade orders are necessary to prevent further injury to an already vulnerable domestic steel industry.

While the economy is growing slowly, the U.S. hot-rolled steel industry is in substantially worse condition than it was when the Commission last considered these trade remedies, five years ago. The recent financial performance of domestic hot-rolled steel producers confirms that production and capacity utilization rates are down, and the industry's rates of return are wholly inadequate to justify future investment. Moreover, U.S. demand for hot-rolled steel remains weak and the overall health of the U.S. and global economy is unstable.

At the same time, hot-rolled steel producers in all six countries are heavily export-oriented and have become even more so given depressed market conditions in their home and traditional export markets. According to the Organisation for Economic Co-operation and Development, global steel overcapacity is substantial and growing. Yet, these countries continue to expand their capacity at alarming rates. With economic slowdowns in Europe, the Middle East, North Africa, and Asia, foreign producers in these six counties will not hesitate to ship their dumped and subsidized excess steel into the United States, as they have in the past.

As the Commission is aware, the Department of Commerce recently determined that revocation of the antidumping orders would likely lead these countries to dump hot-rolled steel into the United States at margins ranging from 4.41 percent to 90.83 percent, and that revocation of the countervailing duty orders would likely lead to continuation or recurrence of a countervailable subsidy at margins of more than 500 percent. In other words, these trade remedy orders are the only thing preventing significant quantities of unfairly traded hot-rolled steel from these countries from quickly overwhelming an already vulnerable industry and causing harm to U.S. manufacturers and their workers.

Given the current state of the domestic industry and the ability of producers in China, India, Indonesia, Thailand, Taiwan and Ukraine to send significant quantities of hot-rolled steel to the U.S. market, removing the existing trade orders would harm the domestic industry and its workers. As a result, we strongly urge you to maintain the existing orders against dumped and subsidized imports of hot-rolled steel.

Thank you in advance for your time and consideration of this critical issue.

Respectfully submitted,

JOE DONNELLY
United States Senator

JEFF SESSIONS
United States Senator

JOHN BOOZMAN
United States Senator

SHERROD BROWN
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