

United States Senate

WASHINGTON, DC 20510

February 14, 2023

The Honorable Gina Raimondo
Secretary
Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Katherine Tai
U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Dear Secretary Raimondo and Ambassador Tai,

We write to urge the Office of the U.S. Trade Representative and Department of Commerce to take action to stem the unsustainable surge of Mexican steel imports—particularly of steel conduit—in violation of the U.S. and Mexico’s 2019 Joint Statement on Section 232 Duties on Steel and Aluminum.

As you are aware, the United States lifted its 25 percent tariffs on Mexican steel imports in May of 2019. The previous administration reduced these duties as part of an agreement which stipulates that if steel imports “surge meaningfully beyond historic volumes of trade... the importing party may impose duties of 25 percent...in respect to the individual product(s) where the surge took place.” In recent months, it has become clear that Mexican steel imports now “exceed historic volumes of trade” and are “surg[ing] meaningfully” into our market.

Since the U.S. lifted Section 232 tariffs, Mexican steel conduit imports have reached unprecedented levels and Mexico’s penetration of the U.S. steel conduit market has more than tripled, while demand from U.S. consumers has fallen. The 2019-2022 Mexican iron and steel surge is the largest from any iron and steel exporter to the United States. In fact, the volume of annual iron and steel imports from Mexico has increased approximately 73 percent over the pre-Section 232 2015-2017 baseline, semi-finished steel and long product imports are up 120 percent, and steel conduit imports have risen by an even more disturbing 577 percent. A recent Customs and Border Protection (CBP) investigation revealed that importers misclassified Mexican steel conduit exports, concealing this extraordinary surge.

The wave of Mexican steel imports has already contributed to the loss of over 200 steel jobs in California and led to the closing of one of less than a dozen American factories that produce steel conduit. Many steel producers are concerned that additional production cuts, layoffs, and plant closures are imminent. The administration must act now to avoid further damage.

We urge the Biden administration to immediately begin consultations under the 2019 agreement to address this surge of Mexican steel and return imports to “historic volumes of trade,” with quotas, if necessary. However, if the Mexican government refuses to remedy this breach, we regretfully urge the administration to consider other mechanisms to ensure compliance and protect American jobs, including the reapplication of Section 232 tariffs.

Thank you for your attention to this important matter; we look forward to your response.

Sincerely,



Tom Cotton
United States Senator



John Boozman
United States Senator



Thom Tillis
United States Senator



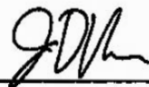
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