August 7, 2020

The Honorable Wilbur L. Ross, Jr.
Secretary of Commerce
1401 Constitution Ave, NW
Washington, DC  20230

RE:  Unfairly Traded Korean Steel Imports

Dear Secretary Ross,

On behalf of the U.S. producer members of the American Iron and Steel Institute (AISI), I am writing to bring to your attention a matter of serious concern regarding imports of dumped and subsidized steel from Korea.

The impact of COVID-19 on the steel industry in the United States has been dramatic, causing a significant drop in demand for steel and resulting declines in domestic production, capacity utilization and shipments. Year-to-date steel production is down 20 percent compared to the same period in 2019 and industry capacity utilization has been below 60 percent since early April. For producers of steel products used in the energy sector, this situation is made even more dire by the collapse in demand in the oil and gas industry due to historically low prices for those commodities.

Given these difficult market conditions, American steel producers are more vulnerable than ever to injury from dumped and subsidized steel imports. Accordingly, American steel producers are particularly concerned that certain major steel exporters have been successful in recent months in abusing the AD/CVD administrative review process to obtain extremely low dumping margins and countervailing duty rates. One notable example is the case of flat products and pipe and tube from Korea, where certain energy subsidies and other distortions in costs and prices resulting from a particular market situation in the Korean market have not been adequately addressed in recent cases. This creates the potential for unfairly traded steel imports from Korea to enter the U.S. market unremedied in the second half of this year at a time when U.S. market conditions remain severely depressed.

Given this very serious situation, we urge the Administration to take additional steps to prevent further injury to American steel producers from unfairly traded Korean steel
imports, including through further investigation and re-evaluation of the effectiveness of current methodologies used to address the market-distorting Korean policies and practices that have not been adequately remedied in recent reviews of Korean steel producers.

Thank you for your continued efforts to address the trade challenges facing American steel producers.

Sincerely,

Kevin M. Dempsey
Interim President and Chief Executive Officer