## Congress of the United States

Washington, DC 20515

June 21, 2024

Hon. Gina M. Raimondo Secretary of Commerce U.S. Department of Commerce 1401 Constitution Ave. NW Washington, D.C. 20230

## Dear Secretary Raimondo:

We write in our capacity as members of the Congressional Steel Caucus to note our concerns with the U.S. Department of Commerce's ("Commerce") reconsideration of the Socialist Republic of Vietnam's ("Vietnam") non-market economy ("NME") status in U.S. antidumping proceedings. U.S. manufacturers, and steel producers in particular, are vital to the economic health of our districts. They and their workers rely on our trade remedy laws to ensure a level playing field in competition against foreign producers who benefit from extensive government support and intervention.

Vietnam remains a primary example of a top-down, government-controlled economy that has become a significant threat to market-oriented steel producers in the United States. Prematurely granting Vietnam market economy status would deny that reality and would be devastating for American steel producers and our constituents who rely on them for their livelihoods.

Under the direction of the Communist Party of Vietnam, and with massive government subsidies,<sup>1</sup> the Vietnamese steel industry has been transformed from an insignificant player into a major steel producer and one of the most harmful unfair steel traders in the world. This rapid expansion has been engineered explicitly for export purposes. The OECD has recently observed that as much as half of Vietnam's steel production is intended for export.<sup>2</sup> The country's utility as an export platform has turned it into a magnet for steel producers from countries like China seeking to relocate production and avoid U.S. trade remedy orders.<sup>3</sup>

The American steel industry has already seen the devastating effects of Vietnam's non-market expansion of steel capacity. In 2010, U.S. imports of steel from Vietnam were less than 40,000 metric tons. By 2018, imports from Vietnam exceeded 1 million tons.<sup>4</sup> Current volumes would be even higher but for the Section 232 measures and no fewer than 11 determinations by Commerce that Vietnamese producers were circumventing U.S. trade remedy orders on various steel products.<sup>5</sup> Commerce should not reward Vietnam's ongoing

<sup>&</sup>lt;sup>1</sup> Subsidies to the Steel Industry: Insights from the OECD Data Collection, OECD (Apr. 2023) at 35-36.

<sup>&</sup>lt;sup>2</sup>Organization for Economic Co-Operation and Development (OECD), Latest Developments in Steelmaking Capacity 2023 at 9.

<sup>3</sup> See FN 4

<sup>&</sup>lt;sup>4</sup> U.S. Steel Import Monitor, available at https://trade.gov/data-visualization/sima-import-monitor.

<sup>&</sup>lt;sup>5</sup> Certain Corrosion-Resistant Steel Products from the People's Republic of China, 83 Fed. Reg. 23, 895 (Dep't Commerce May 23, 2018); Certain Cold-Rolled Steel Flat Products from the People's Republic of China, 83 Fed. Reg. 23,891 (Dep't Commerce May 23, 2018); Certain Corrosion-Resistant Steel Products from the Republic of Korea, 84 Fed. Reg. 32,871 (Dep't Commerce July 10, 2019); Certain Cold-Rolled Steel Flat Products from the Republic of Korea, 84 Fed. Reg. 70,934 (Dep't Commerce Dec. 26, 2019); Certain Corrosion-Resistant Steel Products from Taiwan, 84 Fed. Reg. 70,937 (Dep't Commerce Dec. 26, 2019); Circular Welded Carbon Quality Steel Pipe from the People's Republic of China, 88 Fed. Reg. 77,287 (Dep't Commerce Nov. 9, 2023); Certain Welded Carbon Steel Standard Pipes and Tubes from India, 88 Fed. Reg. 77,279 (Dep't Commerce Nov. 9, 2023); Light-Walled Rectangular Pipe and Tube from the Republic of Korea, 88 Fed. Reg. 77,274 (Dep't Commerce Nov. 9, 2023); Light-Walled Rectangular Pipe and Tube from the People's Republic of China, 88 Fed. Reg. 77,283 (Dep't Commerce Nov. 9, 2023); Light-Walled Rectangular Pipe and Tube from the Republic of China, 88 Fed. Reg. 77,266 (Dep't Commerce Nov. 9, 2023);

government intervention throughout the economy, or its recent history of unfair steel trade in the U.S. market, by granting it market economy status. We are confident that a full and fair review of the evidence under the six statutory factors for determining market economy status set forth in the *Tariff Act of 1930* will lead Commerce to conclude that doing so would be premature and unwarranted.

We understand the Administration's broader desire to work with allies and partners in addressing challenges posed by China's increasingly assertive conduct in the region and around the world. But neither the U.S. antidumping laws nor the industries and workers that rely on them should be treated as bargaining chips in those efforts. The livelihood of hardworking Americans, including many of our constituents, depends on it.

Sincerely,

Eric A. "Rick" Crawford Member of Congress

Frank J. Mrvan

Member of Congress

Chris Deluzio

Member of Congress

Member of Congress

Nikki Budzinski

Member of Congress

Ro Khanna

Member of Congress

Betty McCollum

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