

Congress of the United States
Washington, DC 20515

May 13, 2022

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

The Honorable Katherine C. Tai
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Secretary Raimondo and Ambassador Tai,

As trade leaders of the New Democrat Coalition, we have long been critical of the prior Administration's use of Section 232 tariffs on steel and aluminum, particularly on our allies and partners. As such, we write to commend you on your efforts to conclude new agreements with the European Union, United Kingdom, and Japan to move past the Trump-era national security tariffs and replace them with arrangements that will bring down prices for American families, workers, farmers, and manufacturers while strengthening America's relationships with key allies and partners. As the Administration looks to build on this momentum, we ask that you consider beginning discussions with other key allies, particularly by reevaluating the Republic of Korea's (ROK) current quota arrangement for steel. We hope that such an arrangement would aid the Administration's efforts in combatting overcapacity in this sector while providing much-needed relief for workers in downstream industries who continue to face historically high steel prices.

The U.S. and Korea recently celebrated the 10th anniversary of the United States-Korea Free Trade Agreement (KORUS), and Korea continues to demonstrate itself to be a key partner and ally in the region. President Biden recently stated that the U.S.-ROK alliance is the "linchpin for peace, security, and prosperity" in the Indo-Pacific region. Furthermore, USTR's latest Trade Policy Agenda notes that Korea is a "valued trading partner and close ally", and Korea looks to be a key player in the Administration's ongoing efforts to develop an Indo-Pacific Economic Framework. To that end, a reevaluation of the agreement reached with the prior Administration to ensure parity among allies would be appropriate.

We recognize the steelmakers' concerns about steel imports originating in nonmarket economies being transshipped through market economies. We also note the latest data from the Department of Commerce's Steel Import Monitoring and Analysis (SIMA) system suggests that steel imported into the United States from Korea did not originate in China. According to SIMA, over 92% of Korean steel imports into the United States were melted and poured in Korea, and virtually all of the remaining 8% was melted and poured in Japan. Nevertheless, we agree that discussions with Korea should address any remaining transshipment concerns. We believe that the Administration should work with their Korean counterparts to develop a workable solution to ensure any steel entering the U.S. market originated in Korea, similar to the agreements with other trading partners.

The New Democrat Coalition is committed to forward-looking trade policy that promotes economic growth and strengthens our global relationships. As such, we appreciate your efforts thus far to lower prices and rebuild global partnerships, and we thank you for your consideration regarding this request.

Sincerely,



Ron Kind
Member of Congress



Suzan DelBene
Member of Congress



Stephanie Murphy
Member of Congress



Jimmy Panetta
Member of Congress



Donald S. Beyer Jr.
Member of Congress



Ami Bera, M.D.
Member of Congress