



October 5, 2021

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 policy 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. We believe it is important that the administration make progress on transitioning away from using these tariffs on our allies and closest trading partners, particularly the European Union. While we should take coordinated actions to address global overcapacity challenges in the steel and aluminum markets, we have serious reservations about the impacts these unilateral tariffs continue to have on workers, producers, and domestic manufacturers throughout the United States as well as the adverse impact it has on our trading relationships with our allies.

We commend your ongoing discussions with the European Union to develop more effective means of addressing the global overcapacity challenge in steel and aluminum that is driven largely by nonmarket economies like China. We believe that these discussions could provide a framework for stronger coordination with other partners to better address the underlying challenges stemming from countries using unfair practices to flood the global market. Such a result would be to the benefit of workers and manufacturers throughout the nation.

The continued imposition of Section 232 tariffs on steel and aluminum have had significant economic consequences on U.S. manufacturers and other downstream domestic industries, in addition to a variety of American products facing retaliatory tariffs from the European Union and other trading partners. Steel and aluminum users have seen prices skyrocket while also facing increasingly delayed delivery times, further impacting their operations. Moreover, by mid-2019, one estimate found that there were about 75,000 fewer manufacturing jobs due to the higher input costs associated with the tariffs on steel alone.

Further, the underlying challenge of global overcapacity in the steel and aluminum sectors has not improved. Indeed, global overcapacity has grown in the steel and aluminum sectors since the Section 232 tariffs were imposed, stemming mainly from nonmarket economies. A more coordinated effort with more market-centric economies like the European Union, including through multilateral fora, would be a more constructive and effective approach to address global overcapacity.

We call on the Commerce Department and Office of the United States Trade Representative

to take meaningful steps toward reaching an agreement with the European Union that eliminates the steel and aluminum tariffs. We appreciate the desire to ensure appropriate safeguards to mitigate the risk of surges and transshipment from nonmarket economies, but any such agreement should avoid overly restrictive frameworks to ensure that domestic manufacturers are able to respond appropriately to market demand.

The New Democrat Coalition is committed to smart trade policy that promotes economic growth and strengthens our global relationships. As such, we appreciate your efforts thus far to keep Congress informed about these ongoing negotiations, and we thank you for your commitment to ongoing discussions with the European Union on these pressing matters.

We look forward to working with you to develop an effective model to better coordinate with our closest trading partners.

Sincerely,



Rep. Ron Kind
Co-Chair, Trade Task Force
New Democrat Coalition



Rep. Lizzie Fletcher
Co-Chair, Trade Task Force
New Democrat Coalition



Rep. Suzan DelBene
Chair
New Democrat Coalition



Rep. Scott Peters
Vice Chair
New Democrat Coalition