

# United States Senate

WASHINGTON, DC 20510

June 24, 2024

The Honorable Janet Yellen  
Secretary of the Treasury  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Gina Raimondo  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington, D.C. 20230

The Honorable Katherine Tai  
Ambassador  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, DC 20508

Dear Secretary Yellen, Secretary Raimondo, and Ambassador Tai:

We write to bring to your attention an urgent matter that poses a threat to workers in our states and an industry of national importance. Nippon Steel's (Nippon's) planned acquisition of U.S. Steel stands to destabilize our trade enforcement system that is in place to safeguard American industry, workers, and national security from bad actors. Nippon Steel's well-documented record of dumping steel products in the U.S. presents a clear conflict with our ability to continue to defend our domestic steel industry.

For decades, the International Trade Commissions (ITC) has issued numerous antidumping and countervailing duty orders against Japanese steel makers. The rulings against Japanese steel companies include numerous rulings against Nippon Steel: [nickel plated flat rolled steel](#) (multiple times), [cold rolled steel](#), [hot-rolled flat steel](#) ([multiple times](#)), and [corrosion resistant steel products](#) among others.<sup>1</sup> In each of these cases, Nippon Steel was found to be dumping steel products in the U.S. market at unfair prices, costing workers their jobs in places like our states.

Trade enforcement depends not only upon the professionals working at the ITC but also the cooperation of the American steel industry. It is only by coming together that the domestic industry can curb the behavior of bad actors in the global steel industry. It is essential to the mission of the ITC to examine harmful trade practices by foreign actors. We write to bring to your attention a report prepared by the United Steel Workers Union (USW). The report,

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<sup>1</sup> The United States currently has antidumping orders on the following steel products from Japan: (1) welded large diameter line pipe, (2) tin mill products, (3) stainless steel wire rod, (4) stainless steel sheet and strip in coils, (5) stainless steel bar, (6) diffusion-annealed nickel-plated flat-rolled steel products, (7) cold-rolled steel flat products, (8) certain hot-rolled steel flat products, (9) carbon steel butt-weld pipe fittings, (10) certain carbon and alloy steel cut-to-length plate, (11) carbon and alloy seamless standard, line, and pressure pipe (under 4 ½ inches), and (12) carbon and alloy seamless standard, line, and pressure pipe (over 4 ½ inches).

“Domestic and Global Impacts of Nippon Steel’s Unfairly Traded Goods,” details how Nippon Steel’s unfair trade practices have harmed both the United States’s steel sector and the steel sectors of our allies.

These practices are particularly troubling for the American steel industry as Nippon Steel’s efforts to acquire U.S. Steel threatens the future ability of domestic industry to seek relief through trade enforcement mechanisms available through the ITC. In every trade case against Japanese steel producers, the U.S. Department of Commerce found that imports from Japan were dumped into the United States at unfair prices. In each one, the ITC found that the dumped imports from Japan had caused or threatened material injury to domestic producers.

Foreign steel companies, such as Nippon, seek to gain any advantage they can when competing with the US and, as such, future ITC rulings could be impeded by the Nippon’s acquisition of U.S. Steel. This could happen in several ways. First, U.S. Steel could refuse to participate in an investigation by declining to provide essential data supporting a case to the ITC. This interferes with the ITC’s ability to assess the full scale of damage being done to U.S. industry and can lead to results where damage is underestimated. Second, U.S. Steel could choose to exit a market with little explanation – limiting relief available. These concerns are not hypothetical as the ITC has documented how U.S. Steel, once Nippon announced its plans to acquire it, changed its behavior in the tin mill suit.

Specifically, the ITC documented that U.S. Steel declined to provide critical data and exited a market without explanation – actions that undermined the very suit U.S. Steel helped to bring.<sup>2</sup> In this approach, Nippon could use U.S. Steel’s status as an “American company” to undermine trade cases from the inside. In this role, U.S. Steel could oppose efforts to either sustain or bring new suits against Japanese steel makers, potentially granting foreign steelmakers unprecedented and unfettered access to the U.S. market. Similarly, the Nippon-acquired U.S. Steel could participate in trade suits but utilize the confidential questionnaire process to undermine the case brought by its American competitors in support of Nippon’s Japanese production or that of Nippon’s many foreign subsidiaries.

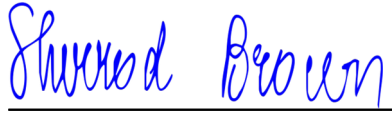
The concerns raised by the USW’s report, “Domestic and Global Impacts of Nippon Steel’s Unfairly Traded Goods,” and the recent experience of the American steel industry make clear that Nippon’s acquisition of U.S. Steel poses a grave threat to the international trade system that seeks to protect American manufacturers and workers from those who would unfairly dump steel into the American market. Given the clear and present threats that a Nippon Steel acquisition

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<sup>2</sup> “Of particular significance is the fact that the Commission specifically requested that U.S. Steel elaborate on the reasons for its decisions to idle TMPs production at its East Chicago and Gary Works facilities, and to close its UPI mill, including any role that subject imports from Canada, China, and Germany may have had in those decisions. U.S. Steel declined to do so. Instead, in explaining its decisions, U.S. Steel \*\*\*. It cited “market conditions,” including generally declining demand for TMPs and “increased competition from imports,” but, it provided no explanation or evidence, such as an affidavit or hearing testimony, that attributed the closures to subject imports from Canada, China, and Germany specifically.” “Tin Mill Products from Canada, China, Germany, and South Korea (Investigations Nos. 701-TA-685 and 731-TA-1599-1601 and 1603 (Final) (Publication 5492, February 2024) (International Trade Commission) [2024 02 26 ITC PD ITC Consolidated Report and Views Tin Mill INV Final.pdf](#)

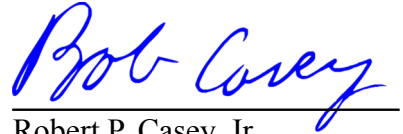
poses to American workers and a critical industry, we believe executive action to block this deal is urgent.

Sincerely,



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Sherrod Brown  
United States Senator



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Robert P. Casey, Jr.  
United States Senator



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John Fetterman  
United States Senator

CC: Chair Karpel, International Trade Commission