

Congress of the United States
Washington, DC 20515

December 19, 2023

David S. Johanson
Chairman
U.S. International Trade Commission
500 E St. SW
Washington, D.C. 20436

Marisa Lago
Under Secretary of Commerce for International Trade
U.S. Department of Commerce, International Trade Administration
1401 Constitution Ave. NW
Washington, D.C. 20230

Dear Chairman Johanson and Under Secretary Lago:

We are writing to follow-up on the ongoing antidumping duty investigations into tin mill products from eight countries, including key U.S. partners and allies. The International Trade Commission's and Department of Commerce's rigorous analysis of the facts presented is critical to ensuring a level playing field for all domestic manufacturers and American workers as well as protecting domestic supply chains that are essential to national security and consumers' health and well-being.

As expressed in our initial letter on June 12, we strongly support fair enforcement of U.S. trade remedy laws. The antidumping investigation brought forth by Cleveland Cliffs, Inc. of tin mill products presents unique challenges for the Commission and Commerce Department, as well as the broader U.S. economy. Specifically, the facts presented demonstrate reason for tin mill product imports apart from cost and demonstrate a greater need to differentiate between tin mill product based on need of downstream manufacturers — including can manufacturers and consumer product companies.

Such findings are in keeping with the Commerce Department's preliminary determination, which found zero dumping margins for five (South Korea, the Netherlands, Taiwan, Turkey, and the United Kingdom) of the petition's eight named countries. Further, Commerce's preliminary determination of low tariff rates for Canada and Germany challenge a view that tin mill products are being imported at less than fair value. Rather, downstream users of tin mill products require imports to meet quantity and quality specifications.

Domestic tin mill steel producers can supply approximately 50% of total U.S. demand. Our constituents inform us that certain types and widths of steel required by U.S. can manufacturers, including 2-piece can steel, are not available in sufficient commercial quantities from domestic suppliers. Some challenges experienced by the domestic can industry likely can be attributed to supply chain shifts by domestic steel manufacturers to other sectors within the industry.

To meet demand, can manufacturers and their customers, including America's food, beverage, household goods, and personal care product manufacturers have procured imported tin mill products from allied countries. Supplies from countries like Canada, the Netherlands, Germany, and the United Kingdom have helped maintain quality and ensure supply chain continuity. Can manufacturers require specific standards to ensure that tin mill steel for food cans is made to meet quality specifications to preserve brand reputation, food safety, and shelf stability. Our understanding is that certain types of steel required within the can industry (drawn-and-ironed and certain steels for 2-piece and EZ Open cans) are currently only sourced through imports. These facts, which we have seen first-hand at can and food manufacturing sites across the country, support negative determinations in this case.

Not only would new tariffs run contrary to what is happening in the market and the reason for subject imports, but the downstream impact on can manufacturers, consumer product companies and consumers highlight the challenges of a case wherein the petitioner is seeking trade remedies without justification. The originally alleged dumping margins average 132% and tariffs at those levels would dramatically increase the cost of tinplate used for canned packaging, including food cans, aerosol cans, jar lids, and other components that utilize tin mill steel.

If imposed, tariffs would lead to additional costs on domestic manufacturers and consumers at a time of already high inflation and grocery prices. Food prices are already at some of their highest levels in history due to record inflation. For households with children, the problem is especially acute¹. When food prices increase, canned food items become a crucial low-cost option for American families. Canned good cost increases would particularly impact vulnerable populations, food banks, and consumers who rely on government nutrition and feeding assistance programs such as SNAP and WIC.

Perhaps more pertinent to the investigation, however, is that imposition of antidumping duties on tin mill products would have an adverse effect on the domestic can manufacturing industry, upon which the domestic steel industry relies. New tariffs on tin mill products could lead to a rise in imported finished cans and drastic job losses within the industry here at home. Imports of empty cans and canned food products have already increased due to inflation, supply chain disruptions, and shutdowns during the pandemic. Increased imports of cans threaten both the U.S. steel industry, domestic can manufacturers, and domestic food, beverage, household goods, and personal care product manufacturers. Significantly higher duties as requested in the antidumping investigations also may encourage imports of these products, as well as a diminished reliance on U.S. agriculture products used for these finished goods.

We strongly believe the U.S. steel industry and its downstream partners must be protected from unfair trade practices, including from Chinese companies. However, that should not distract us from focusing on the other trading partners given Chinese imports account for less than 10% of imported tin mill steel. More than 90% of tin mill steel imports come from allied countries, including our European partners. Implementing these antidumping duties would allow foreign canned goods producers to infiltrate U.S. markets bringing significant harm to our domestic industries while Chinese tin mill steel producers would be only slightly harmed by the duties. In short, this would not be a fair exchange. Chinese canned goods producers would benefit greatly at the expense of U.S. producers.

¹ In 2020, the pandemic caused the share of families with children experiencing food insecurity to double from 14% to 28%. <https://www.hsph.harvard.edu/news/hsph-in-the-news/childrens-food-insecurity-increasing-during-covid-19-pandemic/>

In facing these challenges and administering our trade remedy laws, the Commission and Commerce should carefully consider the quantities and types of tin mill steel that are made in the United States. We know your investigations will be thorough and protect the viability of all domestic manufacturers. We are confident your findings will recognize the complexity and importance of the U.S. market for tin mill steel products as well as demonstrate your commitment to strengthening supply chains and ensuring the availability, affordability, and accessibility of canned products for U.S. consumers.

Sincerely,



David Rouzer
Member of Congress



Dan Meuser
Member of Congress



Mark Amodei
Member of Congress



Jim Costa
Member of Congress



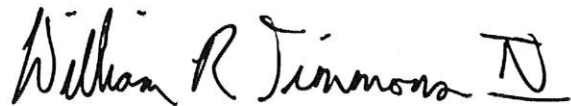
Aumua Amata C. Radewagen
Member of Congress



Rudy Yakym III
Member of Congress



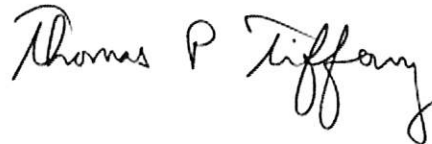
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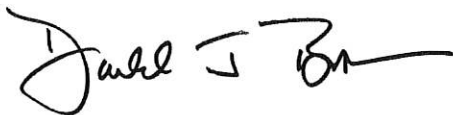
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