

United States Senate

WASHINGTON, DC 20510

February 19, 2024

The Honorable Gina Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, DC 20230

The Honorable Katherine Tai
Ambassador
Office of the U.S. Trade Representative
600 17th St. NW
Washington, DC 20508

Dear Secretary Raimondo and Ambassador Tai,

We write to urge the Office of the U.S. Trade Representative and the U.S. Department of Commerce to ensure that actions being taken to stem the surge of Mexican steel imports include measures that will immediately and meaningfully limit the volume of Mexican steel concrete reinforcing bar (*i.e.*, rebar) being imported into the United States.

The United States removed its 25 percent tariffs on Mexican steel imports in May 2019. These duties were lifted as part of an agreement, which provides that if steel imports “surge meaningfully beyond historic volumes of trade . . . the importing party may impose duties of 25 percent . . . in respect to the individual product(s) where the surge took place.”¹ As we noted in our February 14, 2023 letter, it has become clear that Mexican steel imports now “exceed historical volumes of trade” and are “surg[ing] meaningfully”² into the U.S. market. This continues to be the case, and rebar imports, in particular, have increased significantly.

In response to the continuing surge of Mexican steel imports, the U.S. Trade Representative is negotiating a voluntary export monitoring agreement with Mexico to limit Mexican imports of certain steel products. However, it has come to our attention that rebar is not included on the list of products subject to immediate monitoring. We have serious concerns with any agreement that does not cover rebar from the outset.

Imports of rebar from Mexico present a significant problem. Based on a historical 2015-2017 baseline, Mexican rebar imports increased from 11,203 metric tons per year to 201,943 metric tons in 2023. That 1,703% increase means that imports are more than 18 times greater today than they were less than a decade ago. While Mexican steel imports have increased across the board since 2015-2017, the surge in rebar imports is one of the largest of all product categories, both in terms of total volume and percentage increase. Further, rebar imports have reached even higher volumes in recent years, indicating that even greater surges are possible. A significant decrease in Mexican rebar imports is required to return to historical volumes of trade.

Mexican rebar imports have been particularly disruptive to the domestic rebar industry. Even though the Department of Commerce has found Mexican rebar producers consistently dumping

¹ U.S. Senate. "Letter to Secretary Raimondo and Ambassador Tai Urging Biden Administration to Stem Mexican Steel Surge." 14 Feb. 2023, <https://www.cotton.senate.gov/news/press-releases/cotton-leads-bipartisan-letter-urging-biden-administration-to-stem-mexican-steel-surge>

² *Id.*

their products at significant rates in the U.S. market, the volume of rebar imports from Mexico has increased and remains substantial. Mexican rebar producers have also been found to be circumventing the U.S. trade laws, which allows them to export even greater volumes at the expense of the American rebar industry.

Rebar is an essential component of our country's roads, bridges, buildings, and other critical infrastructure. Protecting and investing in domestic rebar production is vital. For example, in our home state, Nucor Corporation broke ground last year on a \$350 million rebar mill in Lexington, NC. When completed, this mill will produce up to 430,000 tons of rebar annually and create at least 180 new jobs, with an average annual wage of nearly \$100,000. This and other similar investments, and the jobs they create, are at risk if rebar imports from Mexico continue to surge unabated.

We appreciate your attention to this critical matter and await your response.

Sincerely,

A handwritten signature in blue ink that reads "Ted Budd". The signature is written in a cursive, flowing style.

Ted Budd
U.S. Senator

A handwritten signature in blue ink that reads "Thom Tillis". The signature is written in a cursive, flowing style.

Thom Tillis
U.S. Senator