

Congress of the United States
Washington, DC 20515

February 02, 2016

President Barack H. Obama
The White House
Washington, DC 20500

Dear President Obama:

We write to highlight our concerns with the Trans-Pacific Partnership (TPP) and significant loopholes in the agreement which would threaten our iron ore mining and steel industries.

As you are aware, our domestic iron ore and steel industries are under grave threat from the ongoing flood of illegally subsidized and dumped steel imports, millions of tons of which come from China and other Asian nations. Currently, the Department of Commerce administers 157 anti-dumping or countervailing duty orders against foreign steel products with more orders expected this year. These illegal trade practices have helped steel imports capture 29% of our market, at a time when our domestic steel mills are only operating at 69.8% of capacity. The simple fact is – increased US consumption is being supplied by illegal, subsidized foreign steel.

Unfortunately, these illegal trade practices have directly led to the loss of jobs for more than 12,000 workers in our iron ore mining and steel industries. Not only do these layoffs bring devastation to the families directly affected, but they also destroy the many communities and businesses which rely on these industries.

Major loopholes in the TPP will only serve to worsen the situation for these vital domestic industries by allowing low-grade subsidized steel from China and other non-TPP countries increased access into the US market. Specifically, weak automobile rules of origin thresholds in the agreement directly undermines our domestic steel production by allowing 55% of finished automobiles and up to 70% of many valuable parts receiving tariff reduction benefits to be produced by non-TPP countries like China. Additionally, domestic steel production will be further undermined by a provision in the pact that allows auto body parts to come from anywhere in the world and be considered “TPP member sourced” if the part only undergoes a minor change. This egregious loophole allows an even higher percentage of an automobile to come from non-TPP countries such as China with potentially devastating consequences for our domestic steel sector.

Significantly, the TPP also fails to adequately address currency manipulation, which has already cost our nation at least five million jobs, many of which are in our iron ore mining and steel industries. Japan and many other TPP countries have a long track record of artificially lowering the cost of their currency in order to gain an unfair price advantage for their industries. Japan is hardly alone. In fact, over the last several months’ currency manipulation by the Chinese was quickly followed by TPP countries Vietnam and Malaysia. The failure to crack down on currency manipulation in the TPP will allow our trading partners to continue gaining an unfair advantage at the expense of American manufacturers and workers.

Other provisions, such as those covering State-Owned Entities which would allow all government subsidies provided prior to the TPPs' entry into force from being actionable create additional threats to our producers and their workers. A number of provisions in the TPP will only compound the crisis facing steel and supplying industries.

Our trade policy must be focused on allowing American workers and companies the opportunity to compete on a level playing field. To that end, we strongly urge you to fix the provisions and significant shortcomings of the TPP which threaten our iron ore and steel industries which are so vital to our economy and national security.

Finally, we ask that you explore every possible option at your disposal to ensure the survival of these critically important industries, while also ensuring our trade enforcement process works in the most effective and efficient manner possible. Our trade agreements can be effective, but only if they contain the proper standards and if we enforce them vigorously and ensure a level playing field.

Sincerely,


Richard M. Nolan
Member of Congress

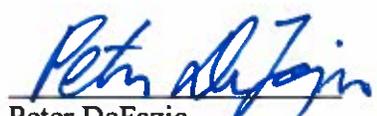

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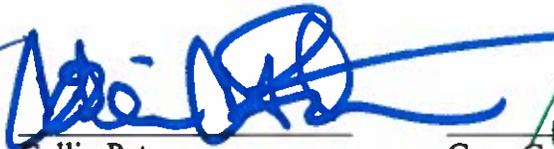

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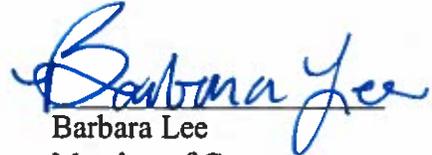
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