United States Senate
WASHINGTON, DC 20510

May 15, 2014

The Honorable Penny Pritzker
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Pritzker:

We write to express our concerns with the Commerce Department's preliminary determination in the antidumping investigation of Oil Country Tubular Goods (OCTG) imports from Korea. This case has nationwide economic implications, and any final determination must be based on accurate data and objective methodologies. As the Department continues the investigation, we ask that you fully consider the domestic industry's allegations and take action against any unfair dumping to the fullest extent of the law.

Steel produced for the U.S. energy market, such as OCTG, accounts for approximately ten percent of domestic steel production, and U.S. OCTG producers employ nearly 8,000 workers across the country. Each one of those jobs, in turn, supports another seven jobs in the OCTG supply chain. U.S. demand for OCTG products has been rising, but our U.S. producers are increasingly losing sales to foreign competitors. Imports of OCTG have doubled since 2008 and increased by 61 percent thus far in 2014 compared to the previous year. By some measures imported OCTG products account for more than 50 percent of the pipes being used by companies drilling for gas and oil in the U.S. One steel company has already reduced hours at three American facilities and idled another as a result of growing OCTG imports. We have been told that more reductions and layoffs could occur.

Korea has one of the world's largest steel industries but no domestic OCTG market. The result is that Korean producers are exporting an increasing volume of OCTG to the United States. We ask the Department to closely verify and further analyze the information submitted by the Korean producers to ensure its accuracy. We are concerned that certain information used for the preliminary determination did not fully reflect the costs of production and sales for the Korean producers, such as profit information based on lower valued pipe products and certain affiliation issues that may impact which sales are used as the basis for the dumping calculation. As this case proceeds, we urge you to ensure that the Department's investigation is objective and accurate.

The discovery and production of shale gas in the United States is a strategic benefit for both America's economic and energy security. Addressing unfairly traded imports is essential to ensuring that U.S. OCTG producers have a level playing field on which to compete. Strict and full enforcement of our trade laws is essential for the future of this important industry, its workers, and steel communities throughout the country.

Thank you for your attention to this important matter.

Sincerely,

Sherrod Brown
United States Senator

Rob Portman
United States Senator

Harry Reid
United States Senator

Tom Harkin
United States Senator

Richard J. Durbin
United States Senator

Debbie Stabenow
United States Senator

Daniel Coats
United States Senator

Jeanne Shaheen
United States Senator

Al Franken
United States Senator

Claire McCaskill
United States Senator

Joe Donnelly
United States Senator

Richard C. Shelby
United States Senator

John D. Rockefeller IV
United States Senator

Amy Klobuchar
United States Senator

Jeff Merkley
United States Senator

Robert P. Casey, Jr.
United States Senator

Mark Begich
United States Senator

Roy Blunt
United States Senator

Kirsten E. Gillibrand
United States Senator

Carl Levin
United States Senator

Joe Manchin III
United States Senator

Charles E. Schumer
United States Senator

Tom Udall
United States Senator

Tammy Baldwin
United States Senator

Mark Udall
United States Senator

John Boozman
United States Senator

Christopher A. Coons
United States Senator

Christopher Murphy
United States Senator

Lindsey Graham
United States Senator

Jeff Sessions
United States Senator

Kay R. Hagan
United States Senator

Tim Johnson
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Michael F. Bennet
United States Senator

Richard Burr
United States Senator

Brian Schatz
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Tom Coburn
United States Senator

John E. Walsh
United States Senator

Mary L. Landrieu
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Cory A. Booker
United States Senator

Barbara A. Mikulski
United States Senator

Benjamin L. Cardin
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Mark L. Pryor
United States Senator

Jack Reed
United States Senator

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David Vitter
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Edward J. Markey
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Richard Blumenthal
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Elizabeth Warren
United States Senator

James M. Inhofe
United States Senator

Chuck Grassley
United States Senator