

June 27, 2024

Hon. Janet Yellen
United States Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Bradley T. Smith, Director
Office of Foreign Assets Control
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW-Annex
Washington, D.C. 20220

cc: Hon. Jake Sullivan
United States National Security Advisor
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Re: Request to Sanction Companies in Certain Suspect Countries Acting as Conduits
for Sanctioned Russian and Iranian Steel Companies

Dear Secretary Yellen and Director Smith:

I. Introduction

Our research at the Coalition for a Prosperous America has revealed a substantial likelihood that companies in the United Arab Emirates (“UAE”), Thailand, Vietnam, and Oman (the “Suspect Countries”) are engaging in potential serious and systematic violations of Russian and Iranian sanctions. Our information shows that those companies may be acting as conduits for steel, and steel products derived from steel,¹ produced by sanctioned companies in Russia and Iran, to the benefit of the Russian and Iranian military-industrial economies via revenue, and to the detriment of U.S. national security and the U.S. steel industry. The U.S. steel industry employs 143,500 people nationwide, including 75,000 jobs in the Midwest alone, and supports over one million secondary jobs nationwide.

For the reasons described below, we request that you immediately act to –

- investigate and sanction companies in the Suspect Countries who are effectively acting as conduits for sanctioned steel companies in Russia and Iran, utilizing existing authorities under E.O. 14024 and E.O. 13871.
- ban the importation of steel and steel products of Russian and Iranian origin, whether or not subject to a substantial transformation in another country, utilizing the enhanced authorities the President established in E.O. 14114 of December 22, 2023; and

II. Background

Pursuant to various statutory authorities, the Executive Office of the President has issued executive orders declaring national emergencies based on threats to the national security, foreign policy, and economy of the United States arising from the malign activities of the governments of the Russian Federation (“Russia”) and the Islamic Republic of Iran (“Iran”), and recognizing the importance of the steel sector of those countries’ economies in conducting and funding those malign activities.

With respect to Russia, based upon a finding that specified harmful foreign activities of the Government of Russia² constitute an unusual and extraordinary threat, and a declaration of a national emergency to deal with that threat [E.O. 14024 of April 19, 2021 and E.O. 14068 of March 11, 2022],³ a finding of Russia’s continued use of its military-industrial base to aid its effort to undermine security in countries and regions important to United States national security [E.O. 14114 of December 22, 2023],⁴ and a sectoral determination on February 24, 2023 that authorizes the imposition of economic sanctions on any person determined to operate or have operated in the metals and mining sector of the Russian Federation economy,⁵ the United States has imposed company-specific sanctions on Russian companies and sectoral import limitations on categories of products of Russian origin, including those companies listed in Attachment B.

With respect to Iran, based upon a finding that the actions and policies of the Government of Iran constitute an unusual and extraordinary threat, and a declaration of a national emergency to deal with that threat [E.O. 12957 of Mar 15, 1995]⁶, the United States has adopted a policy to deny the Iranian government revenue derived from the export of products from Iran's iron, steel, aluminum, and copper sectors, that may be used to provide funding and support for the proliferation of weapons of mass destruction, terrorist groups and networks, campaigns of regional aggression, and military expansion. [E.O. 13871 of May 8, 2019].⁷

Pursuant to these executive orders and determinations, the Office of Foreign Assets Control (OFAC) has imposed sanctions on numerous companies producing steel and steel products in Iran, including those companies listed in Attachment C.

However, it has come to our attention that steel and steel products originating in Russia and Iran, including those produced by sanctioned companies, appear to be entering the U.S. market in significant quantities after being shipped through and/or processed in, other countries, contrary to the goals of the referenced Executive Orders, providing revenue and funds to Russia and Iran’s industrial materials sector and to the detriment of the U.S. steel industry and national security.

III. Case Study: Suspect Imports of Standard Pipe

The United States continues to face a surge of imports for various steel products that are threatening U.S. jobs and local communities across the country. As described in a recent report on our research,⁸ attached hereto as Attachment A, the surge in imports of steel products, especially standard pipe,⁹ from the United Arab Emirates (“UAE”), Thailand, Vietnam, and Oman (the “Suspect Countries”) is particularly concerning as these countries continue to have substantial economic ties with countries considered U.S. geopolitical adversaries. These

countries continue to import large volumes of steel from Russia and Iran to use for steel product manufacturing ultimately bound for the United States. These economic ties with Russia and Iran remain extensive and highlight the highly likely risk of business with and funding to sanctioned Russian and Iranian steel producers. The stated scope of U.S. sanctions policies against Russia (E.O. 14068, for example) is to “target the revenue Russia can earn to continue its brutal war against Ukraine,” according to Secretary Yellen. The steel revenue from these third countries earned by sanctioned Russian entities is ultimately coming from the United States and is being used by the sanctioned Russian steel sector to support the Russian war effort.

IV. Requested Action

A. Immediate Action to Block Importation of Russian and Iranian Steel and Products Derived Therefrom

1. Determination under E.O. 14068 section 1(a)(i)(A)

We hereby request that, pursuant to section 1(a)(i)(A) 1(b), and 5 of E.O. 14068 of March 11, 2022, as amended by E.O. 14114 of December 22, 2023, after consultation with the Department of State and the Department of Commerce, that you issue a determination that the prohibitions in section 1(a)(i)(A) of E.O. 14068 shall apply to iron and steel as described in HTSUS Chapter 72 and articles of iron or steel as described in HTSUS Chapter 73, **of Russian Federation origin**, with the result that the importation and entry into the United States, including importation for admission into a foreign trade zone located in the United States, of iron and steel and articles of iron and steel so described of Russian Federation origin is prohibited, except to the extent provided by law, or unless licensed or otherwise authorized by the Office of Foreign Assets Control.¹⁰

2. Determination under E.O. 14068 section 1(a)(i)(B)

We hereby further request that, pursuant to section 1(a)(i)(B), 1(b), and 5 of E.O. 14068 of March 11, 2022, as amended by E.O. 14114 of December 22, 2023, after consultation with the Department of State and the Department of Commerce, that you issue a determination that the prohibitions in section 1(a)(i)(B) of E.O. 14068 shall apply to iron and steel as described in HTSUS Chapter 72 and articles of iron or steel as described in HTSUS Chapter 73, **that was/were mined, extracted, produced, or manufactured wholly or in part in the Russian Federation, notwithstanding whether such products have been incorporated or substantially transformed into other products outside of the Russian Federation**, with the result that the importation and entry into the United States, including importation for admission into a foreign trade zone located in the United States, of iron and steel and articles of iron and steel so described is prohibited, except to the extent provided by law, or unless licensed or otherwise authorized by the Office of Foreign Assets Control.

Inclusion of products substantially transformed into other products outside of Russia is especially important, given our findings that this is the typical pathway for Russian steel into the United States, especially through the Suspect Countries. Your Office has issued such a determination for seafood products,¹¹ and is consistent with recent action by our allies in the

European Union banning the import or purchase of iron and steel products containing iron or steel inputs originating in Russia and processed in other, ‘third’ countries.¹² There would be no additional burden on importers, since evidence of the country of origin for iron and steel inputs is already required under the U.S. Department of Commerce Steel Import Monitoring and Analysis (SIMA) System.

B. Request for Investigation into Entities Dealing in Russian and Iranian Steel

We therefore hereby request that you immediately launch an investigation designed to identify entities operating in the Suspect Countries that may be engaged in the purchase of steel or steel products of Russian or Iranian origin and related activities (the “Requested Investigation”)

1. Request for Iranian Iron and Steel Determinations under E.O. 13871

We hereby further request that, should the results of your investigation so warrant, pursuant to section 1(a)(iii) of E.O. 13871 of May 8, 2019, the Secretary issue blocking determinations with respect to any entities identified in the Requested Investigation to have knowingly engaged, on or after the date of that order, in a significant transaction for the purchase, acquisition, sale, transport, or marketing of iron, iron products, steel, or steel products from Iran (or to be a person described in section 1(a) (i), (ii), (iv) or (v) of such Executive Order) and to take all actions necessary and proper for the enforcement of such determinations.

2. Request for Russian Iron and Steel Determinations under E.O. 14024

We hereby further request that, should the results of your investigation so warrant, pursuant to section 2 of E.O. 14024 of April 19, 2019,¹³ after consultation with the Department of State and the Department of Commerce, the Secretary issue blocking determinations with respect to any entities identified in the Requested Investigation to have knowingly engaged, on or after the date of that order, in (a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; or (b) the receipt of any contribution or provision of funds, goods, or services from any such person, and to take all actions necessary and proper for the enforcement of such determinations.

V. Conclusion

Thank you in advance for your immediate consideration of this urgent matter. We stand ready to provide any further information or assistance as may be beneficial.

Sincerely,



Michael Stumo, CEO

Attachments

Attachment A:

Standard Pipe Exporters' Sourcing Linked to Sanctioned Countries and Duty Circumvention, by Andrew Rechenberg, Economist, Coalition for a Prosperous America, May 30, 2024

Attachment B:

Partial List of Sanctioned Russian Steel Companies

Attachment C:

Partial List of Sanctioned Iranian Steel Companies

END NOTES

¹ "Steel" in this letter refers to the base steel supply covered under HTS Chapter 72 (Iron and steel, base metals). "Steel products" in this letter refers to the manufactured steel products (such as standard pipe) covered under HTS Chapter 73 (Articles of iron or steel, articles of base metals).

² in particular, efforts to undermine the conduct of free and fair democratic elections and democratic institutions in the United States and its allies and partners; to engage in and facilitate malicious cyber-enabled activities against the United States and its allies and partners; to foster and use transnational corruption to influence foreign governments; to pursue extraterritorial activities targeting dissidents or journalists; to undermine security in countries and regions important to United States national security; and to violate well-established principles of international law, including respect for the territorial integrity of states . . .

³ E.O. 14024 of April 19, 2021, Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation; E.O. 14068 of March 11, 2022, Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression.

⁴ E.O. 14114 of December 22, 2023, Taking Additional Steps with Respect to the Russian Federation's Harmful Activities.

⁵ Metals and Mining Sector of the Russian Federation Economy, February 24, 2023, <https://home.treasury.gov/news/press-releases/jy1296>

⁶ E.O. 12957 of Mar 15, 1995, Prohibiting Certain Transactions with Respect to the Development of Iranian Petroleum Resources.

⁷ E.O. 13871 of May 8, 2019, Imposing Sanctions with Respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran.

⁸ Standard Pipe Exporters' Sourcing Linked To Sanctioned Countries And Duty Circumvention, by Andrew Rechenberg, Economist, Coalition for a Prosperous America, May 30, 2024, also available at

<https://prosperousamerica.org/standard-pipe-exporters-sourcing-linked-to-sanctioned-countries-and-duty-circumvention/>.

⁹ “Standard pipe” in this letter refers to steel pipe and tube falling under the Carbon and Alloy Standard Pipe category, as defined by the U.S. Department of Commerce Steel Import Monitoring and Analysis (SIMA) System.

¹⁰ And, if deemed necessary and appropriate based on the results of your investigation, a determination under Executive Order 14071 of April 6, 2022, Prohibiting New Investment in and Certain Services to the Russian Federation in Response to Continued Russian Federation Aggression.

¹¹ Prohibitions Related to Imports of Certain Categories of Fish, Seafood, and Preparations Thereof, Office of Foreign Assets Control, U.S. Department of the Treasury, December 22, 2023. For implementation of this Determination, see CSMS # 58813725 - Executive Order (EO) “Taking Additional Steps with Respect to the Russian Federation’s Harmful Activities” – Guidance on Fish and Seafood, U.S. Customs and Border Protection, December 22, 2023.
https://content.govdelivery.com/bulletins/gd/USDHSCBP-3816d1d?wgt_ref=USDHSCBP_WIDGET_2

¹² “The EU regulations require importers to provide evidence of the country of origin for iron and steel inputs used in the processing of products in third countries. This requirement ensures that no Russian-origin materials are incorporated into the final products imported into the EU market.”
<https://home.kuehne-nagel.com/en/-/knowledge/how-to/russia-sanctions>

¹³ E.O. 14024 of April 19, 2019, Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation.

Standard Pipe Exporters' Sourcing Linked To Sanctioned Countries And Duty Circumvention



- *ANDREW RECHENBERG*
- *05/30/2024*



KEY POINTS

- **Standard pipe imports into the U.S. have surged 34% since 2020, putting substantial pressure on U.S. companies and manufacturing jobs.**

- **UAE, Thailand, Vietnam, and Oman are among the largest exporters of standard pipe to the U.S., accounting for 40% of total U.S. imports.**
- **These countries are reliant on steel imports to support their steel product manufacturing, including standard pipe.**
- **These exporters have failed to decouple from Russia and Iran despite U.S. sanctions against steel producers in those countries.**
- **These countries are also being used as processing points to avoid duties on Chinese and Indian steel, still ultimately bound for the U.S.**
- **More investigations into sanctions violations and duty circumventions are needed, as well as an expansion of the U.S. melted and poured rule, to tackle these damaging import surges.**

Standard Pipe Surge into the U.S.

Since 2020, there has been a significant surge of standard pipe imports into the United States. Between 2020 and 2023, annual standard pipe imports swelled by 190,500 metric tons (a 34% increase).

Standard pipe includes various types and sizes of steel pipe used for carrying steam, gas, water, etc.

Some of the main countries behind this surge are the United Arab Emirates, Thailand, Vietnam, and Oman. Overall, these four countries represent 40% of the total U.S. standard pipe imports in 2023. As shown in Figure 1, standard pipe imports from Thailand and Vietnam have grown especially fast (increasing by 90% and 50% respectively).

Figure 1: U.S. Standard Pipe Imports by Country (Metric Tons)

Country	2020	2021	2022	2023	2020-2023 % Increase
UAE	95,271	103,357	112,475	102,613	8%
Thailand	47,459	9,039	33,898	89,962	90%
Vietnam	44,268	42,497	59,857	66,273	50%
Oman	33,906	53,473	58,410	44,387	31%
World Total	566,309	584,638	821,561	756,883	34%

Source: U.S. Census Bureau

Oman and the UAE have also had substantial growth. In just a single year (from 2020 to 2021), imports from Oman increased by 19,500 metric tons (a 58% increase). Imports from the UAE have grown more steadily and are currently 7,342 metric tons higher than 2020 levels.

This surge in standard pipe imports into the United States is threatening local U.S. producers. Import surges across a variety of steel products are posing a serious threat to local economies across the United States. The U.S. steel industry employs 143,500 people nationwide, including 75,000 jobs in the Midwest alone, and [supports over one million secondary jobs nationwide](#).

Reliance on Steel Imports for Manufacturing

Despite being major exporters of manufactured steel products such as standard pipe, the UAE, Thailand, Vietnam, and Oman are all still reliant on imports for their “base steel/iron supply” (steel). The UAE, Thailand, and Vietnam are all net importers of steel. And all four countries have scaled up their steel imports in recent years to support their booming steel product manufacturing. As shown in Figure 2, these countries all saw 45-68% increases in total steel imports from 2020 to 2022.

Figure 2: Total Steel Imports by Country

Country	2020	2021	2022	2020-2022 % Increase
UAE	\$3.6 B	\$5.5 B	\$6.0 B	66%
Thailand	\$9.3 B	\$15.3 B	\$14.5 B	56%
Vietnam	\$9.9 B	\$14.7 B	\$14.3 B	45%
Oman	\$0.9 B	\$1.4 B	\$1.6 B	68%

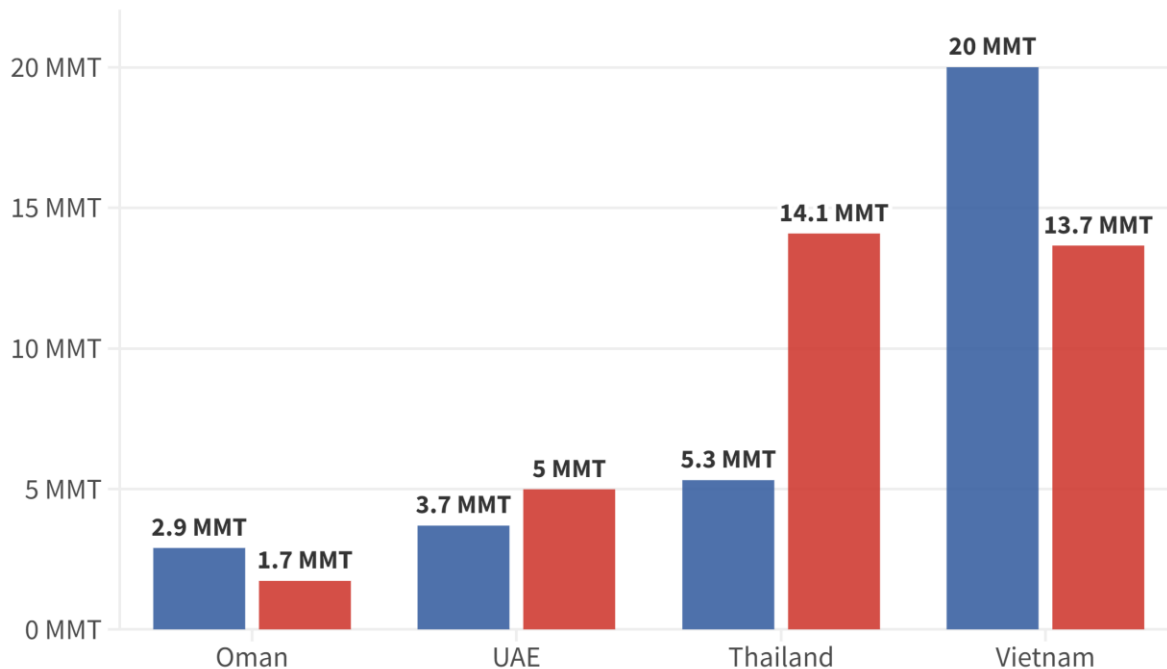
Source: UN Comtrade

These countries do have some domestic steel production but are all still heavily reliant on steel imports. As shown in Figure 3, the UAE and Thailand import more steel than they produce domestically, and Vietnam and Oman also import substantial shares of their overall steel supply then used for steel product manufacturing.

Production vs. Imports of Steel (2022)

■ Production of Crude Steel ■ Imports of Steel

Million Metric Tons (MMT)



Source: WorldSteel, UN Comtrade

✶ A Flourish chart

These countries' reliance on imports to support their manufacturing also leaves them reliant upon the large steel-producing countries from where they receive their steel. It also could leave them desperate to maintain steel imports even from countries considered adversaries to the United States, such as China, Iran, and Russia.

Continuing Steel Imports from Russia and Iran

Despite U.S. sanctions against many Russian steel companies following the invasion of Ukraine, the UAE, Thailand, Vietnam, and Oman have continued importing large quantities of steel from Russia.

As shown in Figure 4, these countries have begun to reduce their imports of Russian steel, but have far from completely decoupled from Russian steel. In 2022, these four countries still imported 626,000 metric tons of steel from Russia.

Figure 4: Steel Imports from Russia (Metric Tons)

Country	2021	2022
UAE	444,598	88,625
Thailand	309,938	185,413
Vietnam	882,276	301,546
Oman	205,685	50,686

Source: UN Comtrade

In addition to the continuing steel imports from Russia, these standard pipe producing countries have also continued importing steel from Iran. In 2022, the UAE, Thailand, and Oman imported a total of about 116,000 metric tons of steel from Iran.

Figure 5: Steel Imports from Iran (Metric Tons)

Country	2021	2022
UAE	1,509	580
Thailand	123,955	45,058
Oman	38,367	70,312

Source: UN Comtrade

This continued relationship between UAE, Thai, Vietnamese, and Omani importers and Russian and Iranian steel manufacturers highlights the possibility that Oman may be buying steel from sanctioned Russian and Iranian companies.

Many major Russian steel producers are under U.S. sanctions in response to the Ukraine invasion in 2022 and the U.S. also has sanctions against many Iranian steel producers. These sanctions prohibit any company operating in the United States (including importing) from doing business with the sanctioned institutions, with severe financial consequences and secondary sanctions as consequences for violating the sanctions.

Given the continuing high steel import volumes into these countries, some portion of the steel imports from Russia may be purchased from sanctioned companies, which are all among the largest Russian steel producers.

Some of these sanctioned Russian steel producers include the following:

- *Metalloinvest (Lebedinsky and Mikhailovsky Minings, OEMK and the Swiss Metalloinvest Trading)*
 - *A Russian mining and metallurgy company specializing in the manufacturing of steel.*
- *Tyazhpresmash (Tyazhpresmash)*

- *A leading Russian machine-building company that operates steel and iron forges.*
- *OOO Metallurg-Tulamash*
 - *A Russia-based steel manufacturer that also manufactures armaments for Russia's navy.*

Iran's steel companies have been sanctioned for even longer and the sanctions list also covers the major steel producers in the country, yet the UAE, Thailand, and Oman have continued buying large quantities of steel from Iran regardless.

Some of these sanctioned Iranian steel producers include the following:

- *Pasargad Steel Complex*
- *The Gilan Steel Complex Company*
- *Middle East Mines and Mineral Industries Development Holding Company (MIDHCO)*
 - *Includes steelmakers Sirjan Iranian Steel and Zarand Iranian Steel Company.*
- [*And many more*](#)

Consequences and History of Sanctions Violations

U.S. sanctions laws still apply to these UAE, Thai, Vietnamese, and Omani companies if they conduct business in the United States (i.e. imports). If these companies are purchasing steel from sanctioned Russian or Iranian companies, they too could fall under secondary sanctions for providing material support for and conducting business with the sanctioned companies. According to the Treasury Department, "All transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or blocked persons are prohibited."

Furthermore, imports from Russia and Iran by these companies may also involve violations of sanctions against Russian and Iranian banks if these companies use sanctioned financial institutions to facilitate their trade in steel.

If any of these standard pipe manufacturing countries are conducting business with sanctioned Russian or Iranian companies, they would be subject to punishment ranging from costly financial settlements with the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), as well as prohibitions from future purchases, and outright bans in the form of secondary sanctions.

Further investigation is needed to determine whether the UAE, Thailand, Vietnam, or Oman standard pipe producers are purchasing from sanctioned Russian or Iranian companies. Firms in at least three of these countries have a history of U.S. sanctions violations.

For example, many UAE firms were previously found to have violated U.S. sanctions against Russia and were subsequently [subjected to secondary sanctions](#) by the Treasury Department as punishment for the violations. Several Omani companies have also been found to violate U.S. sanctions against Iran and [Treasury imposed secondary sanctions](#) on these Omani firms as well. And Thai firms have also been found to [violate U.S. sanctions against Iran](#).

301 China Tariffs: Lack of Reach of the U.S. “Melted and Poured” Rule

Another major method of tariff avoidance in standard pipe production is the use of tariffed Chinese steel. The United States has made a direct effort to discourage Chinese steel from flooding the U.S. market in recent years. The 2018 Section 301 tariffs against China targeted Chinese steel products with 7.5-25% tariffs. And the Biden administration’s recent review of these tariffs not only confirmed their continuing need in order to protect U.S. industry, but also found that they need to be increased for many steel products. The [current Biden administration proposal](#) raises tariffs on Chinese steel products to 25%.

Nonetheless, massive volumes of Chinese-produced steel are still being imported into the United States with no additional tariffs via third-party countries. Countries like the UAE, Thailand, Vietnam, and Oman import huge quantities of Chinese steel to be used in steel product manufacturing such as standard pipe. As shown in Figure 6, these four countries together imported over 8.9 million metric tons of Chinese steel in 2022. This is completely legal as of now as long as the steel is substantially transformed in these countries, but it nonetheless allows Chinese steel to avoid the 25% duties on their steel and continue flooding the U.S. market.

Figure 6: Steel Imports from China (Metric Tons)

Country	2021	2022
UAE	1,125,959	1,457,773
Thailand	3,428,441	3,380,555
Vietnam	3,815,254	3,974,329
Oman	175,586	132,377

Source: UN Comtrade

There is an easy solution to this issue, however. The United States already has a system in place to protect against tariffed steel being processed through non-tariffed countries in order to avoid duties. The U.S. requires the country where imported steel was melted and poured to be identified in the import license application for all steel imports.

[Country of melt and pour](#) refers to the original location where the raw steel is (1) first produced in a steel-making furnace in a liquid state and then (2) poured into its first solid shape. The first solid state can take the form of either a semi-finished product (slab, billets or ingots) or a finished steel mill product.

The Section 232 steel tariff system uses this melt and poured rule widely. The Section 232 steel country exclusion agreements include provisions that the steel being imported into the United States duty-free must be melted and poured in the country that is excluded. For example, this prevents steel melted and poured in China (not excluded from Section 232 duties) from being processed in South Korea (excluded from Section 232 duties) just to avoid the tariffs.

However, the current trade rules do not apply this same standard to the Section 301 tariffs against China. U.S. tariffs on Chinese steel should ideally be at 50% (25% from Section 232 Steel tariffs, and now a proposed 25% from Section 301 China tariffs). However, currently, steel melted and poured in China which is processed through the UAE, Thailand, Vietnam, Oman, and many other countries still avoids the Section 301 tariffs on Chinese steel altogether, making the effective tariff rate 25% (only Section 232).

The melted and poured rule should be expanded to the Section 301 tariff rules. This would keep Chinese steel producers liable to the Section 301 duties that are designed to protect the U.S. industry from Chinese steel. It would enhance the effectiveness of the Section 301 tariffs, crack down on the third-country issue, and protect thousands of U.S. jobs.

India Avoiding Antidumping and Countervailing Duties

Another major source of steel for these standard pipe producing countries is India. As shown in Figure 7, the UAE, Thailand, Vietnam, and Oman together imported over 3.2 million metric tons of steel from India in 2022.

Figure 7: Steel Imports from India (Metric Tons)

Country	2021	2022
UAE	1,660,931	2,104,300
Thailand	647,210	173,375
Vietnam	1,630,433	805,565
Oman	151,206	196,404

Source: UN Comtrade

The UAE and Vietnam are the largest importers of Indian steel among these four producers. The UAE alone imported 2.1 million metric tons of steel from India in 2022, 443 thousand metric tons more than in 2021 (a 26% increase).

The issue with the use of Indian steel for standard pipe production in these third countries is that it is again evading certain duties. In this case, it is avoiding U.S. antidumping and countervailing duties owed on Indian steel.

Hot rolled carbon steel and a variety of steel pipe products from India are subject to antidumping and countervailing duties when coming directly into the United States.

Antidumping duties are placed on imported goods that are priced below fair market value and are consequently unfairly undermining domestic producers. Countervailing duties are anti-subsidy duties, imposed on imported goods that foreign countries subsidize and again are unfairly undermining domestic producers.

The U.S. has a 24% antidumping duty and a 16% countervailing duty against Indian hot rolled carbon steel. Many Indian companies also have specific company rates at even higher levels (up to 28% antidumping and 69%, 140%, or even 216% for countervailing duties on certain companies). Furthermore, the U.S. also has antidumping and countervailing duties on a variety of Indian standard pipe products, including welded carbon steel pipe and tube, welded stainless pressure pipe, and welded pipe. The standard antidumping duties on these products range from 7% to 17% (with some company rates reaching 87%), and countervailing duties range from 5% on stainless pressure pipe to 541% on welded pipe.

If some of these third countries are using Indian steel for their standard pipe production bound for export to the United States, they would be evading duties owed on Indian steel and pipe. And this is exactly what the Commerce Department found with certain Vietnamese pipe exporters.

In November 2023, the [Commerce Department determined](#) that imports of certain welded carbon steel standard pipes and tubes completed in Vietnam using hot-rolled steel produced in India were circumventing U.S. antidumping duties on pipe and tube from India. By going through Vietnam, exporters were able to avoid the duties rightfully owed on Indian-origin steel and pipe imported into the United States. And this was determined to be circumvention.

More investigations into antidumping and countervailing duty circumventions using Indian steel and pipe are needed to determine the full scope of this third-country circumvention problem. Especially for countries like the UAE which imports even larger volumes of steel from India and exports even larger volumes of standard pipe to the United States.

Conclusion

The United States continues to face a surge of imports for various steel products that are threatening U.S. jobs and local communities across the country. The standard pipe import surge from the UAE, Thailand, Vietnam, and Oman is particularly concerning as these countries continue to have substantial economic ties with countries considered U.S. geopolitical adversaries. These countries continue to import large volumes of steel from Russia, Iran, and China to use for steel product manufacturing ultimately bound for the United States. These economic ties with Russia and Iran remain extensive and highlight the risk of possible business with sanctioned Russian steel producers. Meanwhile, the steel supply from China and India allows steel from these countries to avoid U.S. tariffs by being processed in third countries.

Further investigations into these deep trade ties between the UAE, Thai, Vietnamese, and Omani standard pipe producers and their Russian and Iranian steel suppliers are

needed, as well as further investigations into the circumvention of Indian steel and pipe duties. And the melted and poured rule already in place is an obvious solution to the avoidance of Section 301 duties on Chinese steel via third countries.

The U.S. steel industry employs 143,500 people nationwide, including 75,000 jobs in the Midwest alone, and steel product import surges continue to threaten these jobs and the million secondary jobs supported by the industry. The U.S. should ensure that these U.S. jobs across the country are not under threat due to violations of U.S. sanctions and avoidance of U.S. tariffs all already in place.

1. *“Standard pipe in this article refers to steel pipe and tube falling under the Carbon and Alloy Standard Pipe category, as [defined](#) by the U.S. Department of Commerce Steel Import Monitoring and Analysis (SIMA) System.*

2. *“Steel products” in this article refers to the manufactured steel products (such as standard pipe) covered under HTS Chapter 73 (Articles of iron or steel, articles of base metals)*

3. *“Steel” in this article refers to the base steel supply covered under HTS Chapter 72 (Iron and steel, base metals)*

4. *U.S. Department of The Treasury. “The United States Sanctions Major Russian State-Owned Enterprises,” May 16, 2024. <https://home.treasury.gov/news/press-releases/jy0707>.*

<https://prosperousamerica.org/standard-pipe-exporters-sourcing-linked-to-sanctioned-countries-and-duty-circumvention/>

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ATTACHMENT B

Partial List of Sanctioned Russian Steel Companies

- Magnitogorsk Iron & Steel (MMK)
- Metalloinvest (Lebedinsky and Mikhailovsky Minings, OEMK and the Swiss Metalloinvest Trading)
- Tyazhpresmash (Tyazhpresmash)
- OOO Metallurg-Tulamash
- Joint Stock Company Polema
- Ural Metal Processing Company LTD
- Mechel Steel Group
- Publichnoe Aktsionernoe Obshchestvo Mechel (Mechel)
- Pipe Metallurgical Company (and subsidiaries)
- PJSC Pipe Metallurgical Company (TMK)
- International LLC TMK Steel Holding
- Limited Liability Company Agrisovgaz
- OOO EPK Kuznitsa
- Pipe Steek Company (and subsidiaries)
- MEKHANIKA
- CYBERSTEEL
- CYBERSTEEL Alabuga
- CYBERSTEEL Project 2
- Samara Steel Plant
- Kirovsky Zavod
- United Metallurgical Company (OMK)
- MMK Metalurji Sanayi Ticaret Ve Liman Isletmeciligi Anonim Sirketi (MMK Metalurji)
- Chelyabinsk Pipe Rolling Plant
- TMK Yartsevskiy Metallurgical Plant
- Volzhskiy Pipe Plant
- Orskiy Machine Building Plant
- Pervouralskiy New Pipe Plant
- Sinarskiy Pipe Plant
- Taganrog Metallurgical Plant
- Severskiy Pipe Plant
- SMARTMET
- TMK Pipeline Solutions
- TMK Taymir
- TMK Steel Holding
- Pershural'skiy New Pipe Plant
- Severskiy
- Sinarskiy and Volzhskiy Pipe Plants

- Taganrog Steel Plant
- Yartsevsky Steel Plant
- Chelyabinsk Pipe Rolling Plant

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ATTACHMENT C

Partial List of Sanctioned Iranian Companies

- Mobarakeh Steel Company
- Pasargad Steel Complex
- Gilan Steel Complex Company
- Middle East Mines and Mineral Industries Development Holding Company (MIDHCO)
- Sirjan Iranian Steel
- Sirjan Jahan Steel Complex
- Zarand Iranian Steel Company
- Khazar Steel Co.
- Vian Steel Complex
- South Rouhina Steel Complex
- Yazd Industrial Constructional Steel Rolling Mill
- Esfarayen Industrial Complex
- Bonab Steel Industry Complex
- Khuzestan Steel Company (KSC)
- ARFA IRON & STEEL COMPANY
- ARFA IRON AND STEEL COMPANY
- ARFA STEEL
- ARVAND KAVEH STEEL CO.
- BONAB STEEL INDUSTRY COMPLEX
- ESFAHAN STEEL COMPANY
- ESFAHAN'S MOBARAKEH STEEL COMPANY
- ESFAHAN'S MOBARAKEH STEEL PUBLIC JOINT STOCK COMPANY
- GHADIR CASPIAN STEEL TRADING
- HORMOZGAN STEEL COMPANY
- IRAN ALLOY STEEL COMPANY
- IRANIAN GHADIR IRON & STEEL CO.
- IRANIAN GHADIR IRON AND STEEL CO.
- JAHAN FOOLAD STEEL COMPANY
- KAVEH EAST STEEL COMPANY
- KAVEH SHARGH STEEL CO.
- KAVEH SHARGH STEEL COMPANY
- KHAZAR STEEL ROLLING
- KHORASAN STEEL COMPANY
- KHORASAN STEEL COMPLEX JOINT STOCK COMPANY
- KHOUZESTAN OXIN STEEL COMPANY
- KHOUZESTAN STEEL COMPANY
- KHOZESTAN OXIN STEEL COMPANY
- KHUZESTAN OXIN STEEL COMPANY

- KISH SOUTH KAVEH STEEL COMPANY
- METIL STEEL
- METIL STEEL COMPANY
- NEYRIZ STEEL
- OXIN STEEL COMPANY
- PASARGAD STEEL ZOB INDUSTRIAL COMPLEX
- SABA STEEL
- SABA STEEL COMPANY
- SHAHIN BONAB STEEL COMPLEX
- SKS STEEL COMPANY
- SOUTH KAVEH STEEL CO.
- SOUTH KAVEH STEEL COMPANY
- STEEL KAVEH SOUTH KISH
- VIAN STEEL MELTING AND CASTING COMPANY
- WEST ALBORZ STEEL CO.
- WEST ALBORZ STEEL COMPLEX

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