

United States Senate

WASHINGTON, DC 20510

January 24, 2014

Ambassador Michael Froman
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Froman:

We are writing to urge you to give high priority to the earliest possible elimination of foreign tariffs on graphite electrodes and related products as you work to complete the Trans-Pacific Partnership (TPP) agreement.

Graphite electrodes, semi-finished electrodes and pinstock bars, graphite pins and other graphite products are produced in the U.S. by several leading manufacturers, which employ over 1,200 American workers in manufacturing facilities in Ohio and around the United States.

U.S. producers compete in a global market producing high quality graphite electrodes consumed in steel mills both here and abroad. A number of foreign companies, several of them in Japan and Malaysia who are part of the TPP negotiations, also produce graphite electrodes.

Unfortunately, the American industry competes on a fundamentally uneven playing field. The United States imposes no tariffs on imports of graphite products (other than those imposed as sanctions for unfair dumping by Chinese manufacturers). Many other countries impose substantial tariffs on graphite imports from the United States. Japan, for example, imposes a 3.3 percent tariff on imports of graphite electrodes, which accounts for more than a third of the profit margin at current prices in this highly competitive industry. In Malaysia, a 10 percent tariff prevents American companies from profitably selling in the market.

The tariff imbalance is particularly problematic for U.S. producers when there is an oversupply of graphite electrodes and other graphite products on the world market – which is the case now – because open markets, like the U.S., tend to attract excess global supply when other markets are protected. This makes it even more difficult for domestic producers to compete fairly at home and abroad.

Eliminating foreign tariffs on graphite electrodes and other graphite products could have a positive impact on an important American manufacturing industry and the workers it employs. We hope that you will closely consider this issue as you prepare to conclude these negotiations.



Sen. Sherrod Brown

Sincerely,



Sen. Rob Portman