

Congress of the United States
Washington, DC 20515

April 21, 2014

The Honorable Paul Piquado
Assistant Secretary of Commerce
Enforcement and Compliance
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, D.C. 20230

The Honorable R. Gil Kerlikowske
Commissioner
U.S. Customs and Border Protection
1300 Pennsylvania Ave., N.W.
Washington, D.C. 20229

Dear Assistant Secretary Piquado and Commissioner Kerlikowske:

As members of the Congressional Steel Caucus, we write to bring your attention to potentially unscrupulous trade practices, being undertaken by the People's Republic of China ("China"), which are negatively impacting magnesia carbon brick ("MCB") manufacturers in our districts.

Resco Products, Inc. ("Resco"), Magnesita Refractories Company (formerly LWB Refractories) ("Magnesita") and ANH Refractories Company ("ANH") are domestic MCB manufacturers. Resco is based in Pittsburgh with 11 refractory manufacturing facilities in the United States, including New Castle, PA and Tarentum, PA. Resco employs 221 personnel in Pennsylvania, over 600 nationwide, and makes MCB in Hammond, IN where it employs 50 hourly operators who are members of the United Steelworkers union. Magnesita is an MCB manufacturer with U.S. production, a sales facility, a laboratory, and research and development operations in York, PA. Magnesita employs 450 in Pennsylvania and 550 nationwide. ANH is headquartered in Moon Township, PA and produces MCB in White Cloud, MI. ANH operates 15 plants, 26 distribution centers and employs 1,650 workers in the United States — 330 of which work in Pennsylvania.

In 2009, Resco petitioned for the imposition of antidumping ("AD") and countervailing duties ("CVD") on MCB from China. On behalf of the domestic MCB industry, in 2009 and 2010, Steel Caucus members Murphy and Visclosky provided oral written testimony to the International Trade Commission ("ITC") for the preliminary phase of the ITC investigation.

The U.S. Department of Commerce ("Commerce") subsequently confirmed that MCB imported from China was being traded unfairly and imposed AD duties of over 128 to 236 percent and CVD duties of 24 to 254 percent. All MCB imports from China have been legally subject to these duties since they were imposed.

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However, Resco, Magnesita and ANH continue to encounter large quantities of Chinese MCB in the U.S. market, costing significant loss of market share for domestic brick makers and loss of revenue to the United States Treasury as AD and CVD duties are not being collected by U.S. Customs and Border Protection ("Customs"). Resco, Magnesita and ANH believe (a) importers are fraudulently failing to declare MCB entries as "Type 3" entries, the formal Customs code that flags an entry as being covered by AD and CVD duties; and (b) some Chinese exporters fraudulently mislabeled the MCB using a slightly different name, "Magnesia-Alumina Carbon Bricks," or "MACB." Regardless of the exact reason, these exporters and U.S. distributors incorrectly declare these products as "Type 1" entries, meaning they are not subject to any AD or CVD duties.

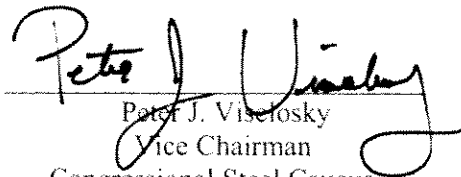
Given the facts of this case, Commerce and Customs should do everything in their power to enforce these duties by expanding their review to uncover fraudulent activity. Therefore, we encourage: (a) Customs to scrutinize all "Type 1" refractory brick imports, including those claimed to be "MACB," to determine whether they are actually MCB; and (b) the Commerce Enforcement & Compliance ("E&C") office at Commerce to expand its efforts by including in its data query all entries, including "Type 1" entries, for Chinese exporters of MCB for which an administrative review was requested during the relevant review period. E&C should not limit its analysis to "Type 3" entries and refuse to request "Type 1" entry data by claiming that any misclassifications that occur are purely a Customs enforcement matter.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact us.

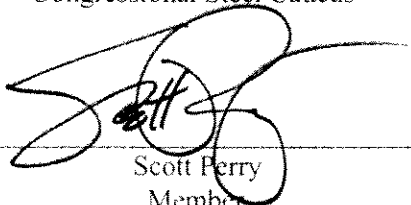
Sincerely,



Tim Murphy
Chairman
Congressional Steel Caucus



Peter J. Visclosky
Vice Chairman
Congressional Steel Caucus



Scott Perry
Member
Congressional Steel Caucus



Keith Rothfus
Member
Congressional Steel Caucus