

# U.S. Sen. Baldwin: Joins bipartisan push to stop surge in Mexican steel imports and support U.S. Workers

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*WASHINGTON, D.C.* – Today, U.S. Senator Tammy Baldwin (D-WI) joined a bipartisan group of colleagues in pushing the Biden Administration to take action to stop an unsustainable increase in Mexican steel imports. In a letter to National Security Advisor Jake Sullivan, the senators demanded the Administration set a clear deadline for Mexico to enforce its 2019 agreement with the U.S., and urged the Administration to take reciprocal action to counter the increase in Mexican steel imports if the country refuses to comply.

Earlier this year, the senators [voiced their deep concerns](#) with the surge in Mexican steel imports and urged the Administration to act. Today, the Mexican government is still refusing to comply with the 2019 agreement, and the delay in action by the administration is costing American steel jobs.

“We write to you regarding the surge of Mexican steel imports into the U.S. market in violation of the 2019 Joint Agreement on Steel and Aluminum. This breach, and the resulting surge, threatens our manufacturing base and American national security, and demands immediate action from the administration,” **wrote the senators.**

**The senators continued:** “The administration must do more to protect America’s steel industry and prevent the further loss of good-paying American jobs. Failure to conclude an export monitoring agreement due to the unwillingness or inability of the Mexican government is unacceptable. We urge the administration to set a clear deadline for the implementation of an export monitoring agreement. If Mexico fails to meet this deadline or proves unable or unwilling to effectively enforce the 2019

Joint Agreement, we respectfully urge the administration to take reciprocal action to counter the increase of Mexican steel imports.”

In August, Mexico’s Grupo Simek announced plans to close Republic Steel plants in Canton, Ohio, and Lackawanna, New York, while moving significant quantities of that production to Mexico. These closures will mean the loss of over 500 good-paying, union jobs. Grupo Simek’s decision not to invest in their U.S.-based assets and to shift production to Mexico further highlights the lack of seriousness by the Mexican Government in adhering to the 2019 agreement.

The letter was led by U.S. Senators Sherrod Brown (D-OH) and Tom Cotton (R-AR) and also signed by U.S. Senators John Boozman (R-AR), J.D. Vance (R-OH), Ted Budd (R-NC), Rick Scott (R-FL), Elizabeth Warren (D-MA), Tina Smith (D-MN), and Bob Casey (D-PA).

The full letter is available [here](#) and below:

Dear Mr. Sullivan,

We write to you regarding the surge of Mexican steel imports into the U.S. market in violation of the 2019 Joint Agreement on Steel and Aluminum. This breach, and the resulting surge, threatens our manufacturing base and American national security, and demands immediate action from the administration. We request additional information on the administration’s plans to address this continued surge and urge you to take immediate action to safeguard U.S. jobs and domestic steel manufacturing.

Data from 2022 shows that annual iron and steel imports from Mexico have increased by approximately 73 percent over the pre-Section 232 2015-2017 baseline.<sup>[1]</sup> During the same period, semi-finished steel and long product imports increased 120 percent and steel conduit imports rose 577 percent.<sup>[2]</sup>

This steel surge has already resulted in at least one plant closure, the loss of over a thousand new and existing jobs, and the deferment of hundreds of millions of dollars in new investment.

We are deeply concerned by Mexico’s continued failure to comply with the 2019 Joint Agreement, along with ongoing attempts by Mexican steel companies to further increase their market share in the United States. Wire and rebar producer

Deacero, for example, just opened a new Laredo, Texas distribution center to “get a bigger share of the US market.”<sup>[3]</sup> Grupo Simek bought Republic Steel and is now closing plants in Ohio and New York to move production to a facility east of Mexico City.<sup>[4]</sup> A Mexican electric conduit producer, Quality Tube S.A., is expanding its distribution enormously in Laredo to further penetrate the U.S. market.

We commend Ambassador Tai for securing a commitment on September 23, 2023, from Mexican Economic Minister Buenrostro to reinstate export monitoring to guarantee future compliance with the 2019 Joint Agreement. However, we are concerned that the Mexican government is willfully delaying finalization of this agreement and is negotiating in bad faith.

Furthermore, we are concerned that President Andres Manuel Lopez Obrador has drastically reduced the staff of Mexico’s Economy Ministry by at least a third, putting into question whether Mexico can even enforce an export monitoring agreement. The administration must do more to protect America’s steel industry and prevent the further loss of good-paying American jobs.

Failure to conclude an export monitoring agreement due to the unwillingness or inability of the Mexican government is unacceptable. We urge the administration to set a clear deadline for the implementation of an export monitoring agreement. If Mexico fails to meet this deadline or proves unable or unwilling to effectively enforce the 2019 Joint Agreement, we respectfully urge the administration to take aggressive action to counter the increase of Mexican steel imports.

We ask for an update from your office by December 31, 2023 on the administration’s next steps in driving these post-breach negotiations to conclusion. Thank you for your attention to this important issue.

Sincerely,

An online version of this release is available [here](#).