

# U.S. to End Preferential Treatment of Russian Steel Companies

By [The Moscow Times](#)

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WASHINGTON — The U.S. Department of Commerce will terminate a 15-year-old deal sheltering Russian flat-rolled steel producers from high import duties, it said in a letter to Russian authorities.

In the letter, published on Monday, the United States gave Russia 60 days notice of the termination and said anti-dumping duties would then apply.

The so-called suspension agreement has sheltered Russian steelmakers from anti-dumping duties as high as 184.56 percent on hot-rolled, flat-rolled, carbon quality steel, instead setting a cap on imports and a minimum price.

Duties will apply beginning Dec. 16, according to the letter from Ronald K. Lorentzen, the Commerce Department's deputy assistant secretary for enforcement and compliance, to Russia's Economic Development Ministry.

The United States has intensified sanctions against Russia over its intervention in Ukraine in recent months, moving from travel bans and asset freezes for officials to targeting Russia's largest bank and oil companies.

U.S. steel producers complained to the Department of Commerce in July that the 1999 agreement had not stopped Russian producers from undercutting local prices or flooding the U.S. market.

Nucor, U.S. Steel, ArcelorMittal USA and other companies said the reference price set in the agreement, which also set a cap on imports, had been below U.S. market prices since 2004.

"The deal did not comply with the legal requirements and obviously the policy parameters have changed so there was no reason to give Russia any special treatment," said Alan Price, an attorney from Wiley Rein representing Nucor Corp.

Russia's Severstal now faces anti-dumping duties of 73.59 percent. Other Russian producers, such as Novolipetsk Steel and Magnitogorsk Iron and Steel Works, face duties of 184.56 percent.

Cowen and Company analysts said the move might help to stabilize hot-rolled coil prices, which had been falling in recent weeks.

The American Iron and Steel Institute (AISI) welcomed the decision and said the agreement was no longer working.

"Our industry should not have to endure injury from surging imports of Russian hot-rolled steel that are coming into this country under a deal that no longer serves its intended purpose," AISI President Thomas J. Gibson said.

Flat-rolled steel comes in rolls or sheets and is commonly used for purposes such as car bodies, roofing, construction and consumer appliances.

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