

Congress of the United States
Washington, DC 20515

October 23, 2020

The Honorable Wilbur L. Ross
Secretary
US Department of Commerce
1401 Constitution Ave NW
Washington, DC, 20230

**Re: Section 232 Investigation into Imported Transformer Cores, Laminations
and Transformers, Docket No. BIS-2020-0015**

Dear Secretary Ross:

We, the undersigned, represent millions of Americans who stand to be negatively affected by the Section 232 investigation into imports of transformers, cores and laminations should this investigation result in tariffs or other restrictions on imports of transformers and their components.

Electricity – efficiently and economically distributed - is the backbone of American life and commerce. The prosperity of this country depends on the reliable supply of low-cost electricity to businesses and consumers throughout the United States. The outcome of this investigation threatens to undermine that supply.

The transformer industry is important to our country's security as well as its economy. Transformers are identified by the Department of Energy as critical to national security. And, based on conservative estimates released by the National Electrical Manufacturers (NEMA), the transformer industry in the United States directly employs approximately 15,000 Americans in both transformer industries (power and distribution), with market revenue of approximately \$7 billion.

Imposition of tariffs or other import restrictions on imported transformer cores, laminations and transformers will likely result in the following:

- Loss of jobs in the US Power and Distribution Transformer industries
- Increases in electricity prices in the United States affecting all American consumers
- Threats to national security through weakening of the competitive structure of the American transformer industry
- Delays in the critical upgrade of the US electrical grid, which requires procurement by American electric utilities of large numbers of transformers over a short period of time
- Deterioration of trade, defense and commercial relationships with Canada and Mexico, the source of 85% of US imports of transformer cores and laminations, whose electricity grids are physically, strategically and economically linked with the US power grid.

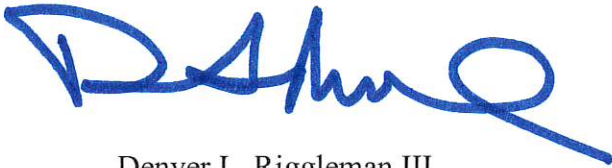
The principal cause of increased imports of cores, laminations and transformers, which are not unfairly traded, is the levying of Section 232 import restrictions on grain-oriented steel into the United States. The transformer Industries have relocated operations, principally to Canada and Mexico, to preserve their own competitiveness in the market.

Against this clear risk to national economic health (and our national defense), there is no justification for the imposition of tariffs or other trade restrictions, especially on two of our closest allies and partners in the world. Section 232 import restrictions would not remedy the operations of the sole current manufacturer of grain oriented electrical steel in the United States and will certainly worsen the problems of the downstream U.S. industries that will be affected.

We urge you and the Department to protect the strength, vitality and competitiveness of the US transformer industry by finding, as the record evidence clearly supports, that imports of transformers, cores and laminations do not threaten to impair the national security of the United States.

Thank you for your consideration.

Respectfully,



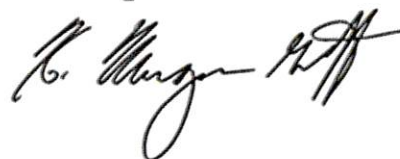
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