

# United States Senate

WASHINGTON, DC 20510

May 3, 2022

The Honorable Gina Raimondo  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Ave, NW  
Washington DC, 20230

Dear Secretary Raimondo,

We write to urge you to reconsider Russia's status as a market economy within the meaning of the anti-dumping (AD) law of the Tariff Act of 1930. In light of Russia's unprovoked invasion of Ukraine, as well as the facts on the Russian economy, we ask that you reexamine this issue and find that Russia is a non-market economy country.

Over the past two decades, Russia has regressed from a fledgling market economy to one without a free market. In its 2002 decision classifying Russia as a market economy, the Department of Commerce noted that economic decentralization was the "hallmark of market economies." Yet, under the leadership of Vladimir Putin, Russia has become marked by corruption, weak rule of law, worker exploitation, and human rights violations. When the facts of this backsliding are applied to the relevant statutory criteria, there is no doubt that Russia should be classified as a non-market economy country.

Of the six statutory criteria for determining whether a country is a non-market economy, we believe it important, and dispositive, to highlight two in particular: currency convertibility and state control over the economy. It is clear that the ruble is not freely convertible into the currency of other countries. Russia imposes restrictions on eight of the eleven types of capital transactions tracked by the International Monetary Fund, and since Russia's invasion, the conversion of the ruble has become only more difficult. Recently, the Central Bank of Russia announced it will prevent banks from selling foreign currency to Russians and limit how much foreign currency individuals can withdraw from their accounts. These edicts are explicitly designed to restrict access to foreign currency.

Russia's economy is also marked by government ownership and control over production. According to Russian government sources, the state's share in the Russian economy may be as high as 70 percent. This growth of economic intervention by the Russian government tracks the rapid expansion of State Owned Enterprises (SOEs) in Russia. According to the International Monetary Fund, Russia has the third most SOEs per capita in the world.

Russia's invasion of Ukraine—a repugnant latest step in its year's long campaign to undermine order and democracy in Eastern Europe—has earned it a unique status as an international scofflaw. Therefore, we would strongly encourage the administration to use this opportunity to hold the Russian Federation and Vladimir Putin accountable for its continued attempt to circumvent international norms, economic or otherwise, to their own benefit. Specifically, we

note that pursuant to the antidumping law, the Department of Commerce “may make a determination [of non-market economy status] at any time.”

We believe that time is now and that the facts clearly support this reclassification. Thank you for considering our request, and we appreciate your attention to this important matter.

Sincerely,



Rob Portman  
United States Senator



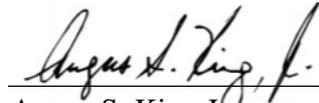
Sherrod Brown  
United States Senator



James Lankford  
United States Senator



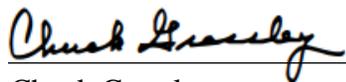
Mike Braun  
United States Senator



Angus S. King Jr.  
United States Senator



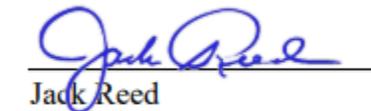
Todd Young  
United States Senator



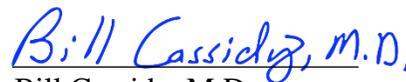
Chuck Grassley  
United States Senator



Richard Blumenthal  
United States Senator



Jack Reed  
United States Senator



Bill Cassidy, M.D.  
United States Senator



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Susan Collins  
United States Senator



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Bill Hagerty  
United States Senator



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Cynthia M. Lummis  
United States Senator



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Steve Daines  
United States Senator



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Lisa Murkowski  
United States Senator



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Roger F. Wicker  
United States Senator