

Congress of the United States
Washington, DC 20515

May 15, 2017

The Honorable Wilbur L. Ross, Jr.
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Ross:

We write to request that the U.S. Department of Commerce (Commerce) closely review what we understand is evidence submitted by our constituents and others of serious abuse of U.S. antidumping (AD) laws and regulations by Chinese garlic exporters in the 21st administrative review of the AD order on fresh garlic from the People's Republic of China (PRC).

California's fresh garlic grower-packers account for virtually all of this country's commercial fresh garlic production. Many of our constituents are employed in planting, tending, harvesting, transporting, and processing of fresh garlic. In our state, garlic is critical in crop rotation practices, helping to preserve and maintain soil nutrients and increase crop yield for the scores of California's large production farms that grow garlic bulbs.

In 1994, Commerce first imposed AD duties on Chinese garlic and the number of California garlic packers increased from eight to twelve. However, since 2000, the California garlic industry tells us that Chinese garlic exporters have pursued a series of fraudulent actions to avoid AD duties, dumping about 60,000 metric tons of garlic annually in the U.S. through last year. Our constituents assert the collective result of this cheating is over \$730 million in uncollected AD duties on dumped Chinese garlic alone. As a result, the number of California garlic packers decreased to four in 2008 and is now down to three.

This latest scam, known as "export funneling," has been characterized by Commerce as being of "extraordinary scope." To break this scheme, we understand that Commerce used Chinese government data submitted by the California garlic packers, with the help of a southern California garlic importer with major operations in California. However, the California garlic industry asserts that the Chinese garlic exporters are now retaliating against them, the California packers and this importer. We understand that the importer has submitted substantial evidence showing that the Chinese exporters are abusing U.S. AD laws and regulations in the 21st administrative review.

We are concerned that in its Preliminary Results memorandum for this review, Commerce did not address this evidence, stating that "parties recently made a number of submissions which we have not had time to consider for these preliminary results."

Commerce must not let fraudulent actors infiltrate and undermine U.S. trade laws, be it garlic or any other commodity. We believe that Commerce must protect the integrity of AD laws to ensure that U.S. producers have recourse against bad actors and the rule of law. To that end, we urge you to ensure that, in composing the final results of the 21st administrative review of the AD order on Chinese garlic, your staff fully reviews and comments on all of the evidence related to Chinese exporters' alleged retaliatory abuse of our AD laws against the California garlic packers.

Please do not hesitate to contact us if you have any questions. Thank you for your attention to this important matter.

Sincerely,



KEVIN McCARTHY
House Majority Leader



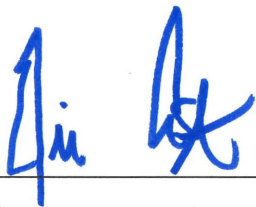
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