

United States Senate

WASHINGTON, DC 20510

March 4, 2024

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Biden:

Thanks to the *Bipartisan Infrastructure Law* (IIJA), the *CHIPS and Science Act*, and the *Inflation Reduction Act*, American manufacturing is experiencing a resurgence. When combined with the strong domestic content requirements from the IIJA's *Build America, Buy America Act*, these historic investments in our nation's infrastructure – built upon a foundation of American steel forged in communities throughout our states – will empower American manufacturing to reshore critical industries, while becoming more efficient and competitive. As the Administration continues to implement the programs made possible by these bills, we urge you to engage with stakeholders to ensure future regulatory actions do not undermine the potential for these investments to spur American manufacturing for critical inputs, including iron and steel produced by skilled workers in the industrial heartland.

Despite the Administration's efforts to support a renewal of American manufacturing, we are concerned by the potential threats to American manufacturing by the same federal government that seeks to support and encourage their growth and increased efficiency. For the American steel sector, capital is finite. Money spent pursuing marginal increases in air quality – that does nothing to raise the bar for foreign competitors – stands to eliminate the pool of capital needed to invest in workforce, as well as transformational projects that lead to new, more advanced steel grades and needed decarbonization technologies. In other words, mandates that come at a high cost and marginal gain work against the stated Administration policies of investing in good paying, union jobs and reducing industrial greenhouse gas emissions. Specifically, we are concerned with several proposed Environmental Protection Act (EPA) rules that have the potential to undermine American steel production.

American steel producers lead the world in terms of clean steel production. Despite that distinction, neither of our nation's integrated steel producers rank among the 20 largest steel producers in the world. In fact, 11 of the world's largest 20 integrated steel producers are located in China – a nation that heavily subsidizes its steel industry and produces some of the world's dirtiest steel. The U.S. steel industry and its workforce already compete on an uneven global playing field when it comes to foreign subsidies, rampant polluting, and unfair cheating when it comes to trade. These proposed rules would further skew the market to the benefit of foreign manufacturers and state-owned enterprises, held to less stringent environmental standards.

We are concerned that the EPA's proposed integrated steel rules will do what foreign competitors have thus far been unable to do: deter and diminish continued American investment in improving our steel industry. Specifically, we have concerns over the following rules: 1) National Emission Standards for Hazardous Air Pollutants: Integrated Iron and Steel Manufacturing Facilities (EPA-HQ-EPA-OAR-2002-0083), 2) National Emission Standards for Hazardous Air Pollutants for Coke Ovens: Pushing, Quenching, and Battery Stacks, and Coke Oven Batteries. (EPA-HQ-OAR-2002-0085 and EPA-HQ-OAR-2003-0051), and 3) National Emission Standards for Hazardous Air Pollutants: Taconite Iron Ore Processing Amendments (EPA-HQ-OAR-2017-0664). As currently written, these three rules pose a threat to our steel industry's global economic competitiveness while yielding minimal environmental benefits – benefits that can be achieved through other means.

Cleveland-Cliffs and United States Steel Corporation are the only two companies presently operating integrated blast furnace/basic oxygen furnace steel mills in the United States. Together, these three EPA rules stand to impose billions of dollars in mandates on those two companies and their unionized workers. As proposed, the rules would impact every component of integrated steel production, from the extraction and processing of taconite iron ore in Michigan and Minnesota to the production of coke in Warren, Ohio. The Integrated Iron & Steel rule proposes technically unachievable standards, including a radical reduction in opacity limits and a suite of brand-new hazardous air pollutant limits affecting blast furnaces and basic oxygen furnaces in places like Cleveland and Middletown, Ohio; Dearborn, Michigan; the Mon Valley in Pennsylvania and several other locations throughout America's industrial Midwest. The promulgation of even one of these rules would cause major hardship and financial drain on these companies; the combination of the three will have far-reaching, adverse consequences that will threaten the viability of the two remaining U.S.-based integrated steel companies.

If these rules are promulgated as proposed, Cleveland-Cliffs and U.S. Steel may be left with no choice but to prematurely shutter mills, resulting in job losses and irreparable harm to their local communities. In other instances, companies across the steel supply chain could be forced to make huge investments to develop pollution control technologies that have no proven application to the steel sector. If companies spend billions of dollars complying with these new, ill-fitting mandates, they will not have the financial capacity to invest in alternative, breakthrough decarbonization technologies. In short, these rules stand to paralyze an industry that is currently making significant progress toward decarbonization, and leads the world in the pathway to clean steel production.

We are not suggesting the EPA stop promulgating regulations that provide real benefit to the environment and make meaningful improvements to decarbonize and reduce emissions. Rather, we are asking the Administration to take a more thoughtful approach to issue proposed regulations with the potential to both grow our domestic industry and further reduce emissions. Impacted stakeholders have already provided new data to the EPA in response to each proposed rule's comment period and are ready and willing to work with the Administration to identify a path forward that can both ensure the future viability of our domestic steel industry and guarantee a substantial environmental benefit.

This is not the first time Congress has engaged the Administration to share concerns over the unintended, but severe, consequences that could result should the EPA act to finalize these rules in their current form. In December, we sent a bipartisan letter to EPA Administrator Regan raising some of these very concerns and urging the administration to take an inclusive approach and work with stakeholders to develop technically sound final rules that achieve further emissions reduction while also preserving the competitiveness of the domestic steel industry. We are concerned that such an inclusive approach has not materialized. We implore you and your Administration to reassess each of these rules and use its discretion to work with impacted stakeholders – including affected companies and labor unions representing workers at steel facilities across the U.S. – to achieve feasible regulations that preserve the economic competitiveness of American steel.

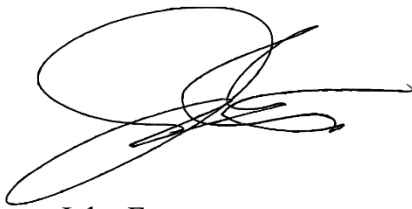
Sincerely,



Sherrod Brown
United States Senator



Joe Manchin
United States Senator



John Fetterman
United States Senator



Robert P. Casey, Jr.
United States Senator



Amy Klobuchar
United States Senator