

July 20, 2017

United States Senate Washington, D.C.20510

U.S. House of Representatives Washington, D.C. 20515

Steel Imports Threaten U.S. National Security Please Urge Administration to Act

Dear Senator/Representative:

Earlier this year, the Trump Administration initiated separate investigations under Section 232 of U.S. trade law to assess the effect of steel and aluminum imports on U.S. national security. Since that time, the Administration has been involved in an intense investigation that has included a broad call for public input. At this writing, however, the investigation on steel is quickly coming to a close and decisions will soon be made within the White House that will determine the fate of the American steel industry and its workers. On behalf of the United Steelworkers (USW), the primary union this vital sector, we urge you to advise the Administration of your strong public support for comprehensive action to ensure the long-term vitality and viability of the steel industry and its vital role in our nation's security and critical infrastructure.

This sector has been decimated by foreign competition. The direct attacks on our market by China, South Korea and a number of other countries, have resulted in plant shutdowns, substantial employment losses in the tens of thousands and loss of productive capacity. Steel shipments by U.S. producers are still inadequate to sustain capital investment and long term viability of the industry. Year to date capacity utilization is at 74.4 percent. Market analysts believe the steel industry needs, at a minimum, 80 percent operating capacity to ensure long term stability in domestic steel production. Until the U.S. lowers the overall share of foreign steel imports, U.S. mills and their ability to provide the steel necessary for national security are threatened.

To be effective in helping to restore the viability and vitality of the domestic steel industry, relief must be broad in terms of product coverage as well as trading partners. Broad relief will also minimize any potential adverse impact on downstream producers as competing products will not have advantages in our market. Ultimately, the goal of

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this action is to ensure that we can meet our national security and critical infrastructure needs and that, ultimately, we can have a proper functioning global market. Foreign protectionist and predatory policies have, for far too long resulted in repeated attacks on our industry. The time has come to stand up for our interests and our people.

In testimony at the Administration hearing on the Steel 232, the Steelworkers have made clear that, because of the unique production and national security relationship that our country has with Canada that their production should be exempted from coverage of any relief measures. Similarly, we have made clear that there should be an orderly review process to determine whether specific products should not be covered due to non-availability or critical factors. Any waivers, however, must be public, of limited duration and subject to review for any potential renewal requests.

We hope that you will join our members in calling on the Administration for broad, deep, effective action under the Administration's 232 steel investigation. Our future is at stake.

Sincerely,

Loo W. Nevard

Leo W. Gerard International President

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