The President
The White House
Washington, DC 20500

Dear President Trump:

On behalf of the Alliance for American Manufacturing (AAM), I write to express our opposition to shortsighted requests by some in the energy sector to suspend Section 232 tariffs on imported steel and aluminum products.

One such request was made to you in an April 30 letter by Dan Eberhart, CEO of private oil services company Canary. For years, Mr. Eberhart has consistently made clear that he chooses to purchase the cheapest steel he can find and without regard to the impact of China’s predatory trade practices on our economic and national security. In a 2018 appearance on CNBC, he quipped that Canary is “looking for the cheapest steel we can find.”

Mr. Eberhart’s apparent disregard for the negative impact of China’s market-distorting actions is in sharp contrast to the approach taken by your administration, the views of a large bipartisan majority of members of Congress, and an overwhelming majority of American voters. In the interview, he went on to explain that we should not concern ourselves with how China distorts the market.

Clearly, the future ability of our nation to independently product steel and aluminum products needed for our military, disaster response, and critical infrastructure needs – including energy infrastructure – is not a concern to Mr. Eberhart. Rather, he appears to be seeking to take advantage of the coronavirus crisis to gain access to the same cheap, subsidized steel products from China and elsewhere that your administration has identified as a national security threat. Your administration deserves credit for identifying this risk and implementing Section 232 tariffs that have shielded our steel and aluminum sectors from massive global overcapacity in China and other nations that promote state-driven growth over marked-determined outcomes.

We strongly urge you to reject calls by Mr. Eberhart and others seeking to capitalize on the coronavirus crisis to undermine your efforts to address the global overcapacity that continues to plague global steel markets. Mr. Eberhart’s request for a tariff suspension on steel imports comes at a fragile moment for many domestic steel producers. United States Steel Corporation, for example, has recently been forced to announce major layoffs and plant idlings due to the coronavirus-induced economic slowdown coupled with state-driven global overcapacity that depresses steel prices. The impacted workers produce high-quality steel products used for energy extraction and distribution.

If Canary or others calling for tariff suspension are paying a Section 232 tariff, they are choosing to buy a foreign product instead of one made by American workers. If the product is not available domestically, they can seek an exclusion. And, if they are paying antidumping or countervailing duties on imported
steel products, they are choosing to buy product that has been proven under US law to be dumped or subsidized by China or other foreign governments. Such duties exist to ensure a fair price based on the proven unfair trade actions by foreign producers.

We further ask that you consider the irreplaceable role of American steel producers and American factory workers in our nation’s quest to become truly energy independent. We cannot achieve this goal if we become reliant on foreign sources of steel to harness and transport that energy. It is time for Mr. Eberhart to start buying American-made steel and support American factory workers.

Thank you for your attention to this matter and we urge you to reject dangerous proposals such as those made by Mr. Eberhart. We must ensure that our nation is prepared for current and future threats by ensuring a strong manufacturing base to independently supply our military, disaster response, and critical infrastructure needs.

Sincerely,

Scott N. Paul  
President  
Alliance for American Manufacturing