March 15, 2018

The Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
Washington, DC 20230

The Honorable Robert Lighthizer
United States Trade Representative
Office of the U.S. Trade Representative
Washington, DC 20006

Dear Secretary Ross and Ambassador Lighthizer:

On behalf of the Alliance for American Manufacturing (AAM), we want to thank the administration for initiating the Presidential Proclamation on Adjusting Imports of Steel into the United States. We wholeheartedly agree that these remedies are necessary to ensure that our steel industry, vital to national and economic security, is not further harmed by imports.

The anticipated implementation of the tariffs is already showing its potential in terms of production and employment. Well over 1,500 workers are expecting to be recalled to work, or have new employment in the steel sector in advance of the imposition of the relief measures. These are the leading edge of direct jobs that the Section 232 remedy will make possible. Each direct steelmaking job supports another seven throughout the economy, meaning that thousands more indirect jobs supporting the sector and serving the workers who will now have family-supporting jobs will be created.

The next phase of the process, determining guidelines for possible alternative arrangements with security partners, as well as possible exclusions requested by domestic steel consumers based on verifiable supply concerns, is vital to the success of the administration’s efforts. These matters must be implemented in a manner that does not undermine the effectiveness of the remedies.

Any exemption or exclusion granted could potentially have an adverse impact on our ability to achieve the goal of meeting our critical defense needs through safe and assured supplies, as well as maintaining an adequate capacity within the steel industry. Shipments from even our most trusted allies, especially those in the Asia-Pacific region, can be in jeopardy in time of conflict because sea or air transport lanes could be at risk. All aspects of implementation of this policy must be completed with the primary, overriding objective of strengthening domestic steelmaking capacity – from start to finish – and rapidly achieving specific and enforceable commitments to fight and to eliminate global overcapacity.

Country exemptions should be extremely limited and conditional, and subject to regular and thorough review. Any exemption granted must be backed by a basic level of protection to ensure that the subject country does not become a platform for transshipment of third-party steel shipments. We urge you to implement measures to ensure any exempt nation’s steel exports to the U.S. generally do not rise above its 2017 levels. As suggested in the proclamation and Commerce Department report, the administration should concurrently adjust tariff levels for other subject imports by a corresponding amount to ensure the effectiveness of the remedy is not undermined.
The product exclusion process under the Section 232 remedy should be transparent, allow for public comment and producing-industry input, and primarily focus on matters related to economic and security considerations. If a product is excluded based on short-term market limitations, the exclusion should be time-limited, and the Commerce Department should work with other federal agencies and Congress to develop strategies that encourage domestic suppliers to begin production.

We share your goals of defending American security. We believe the proclamation signed by the president on steel imports will be highly effective in meeting the goals it spelled out, provided it is not diluted through excessive country exemptions and product exclusions. We look forward to working with the administration on a successful implementation of this policy.

Sincerely,

Scott N. Paul
President
Alliance for American Manufacturing