The Honorable Donald J. Trump  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Mr. President:

As members of the American Institute for International Steel, which represents 120 companies supporting 1.2 million jobs in the steel-using sector, as well as 84,000 direct and indirect jobs in the marine transportation system, we are writing to respectfully request that you terminate the investigation and related actions initiated by the Commerce Department under Section 232 of the Trade Expansion Act of 1962 regarding steel imports.

We are greatly concerned that any trade restrictions that may be imposed on steel imports as a result of this investigation would jeopardize the livelihoods of many tens of thousands of hard-working men and women in the steel supply chain. These include thousands of our country’s union and non-union stevedores who handle steel imports and exports in our country’s blue and brown water ports, and tens of thousands of American workers in the transportation, warehousing, fabrication, Customs brokerage, and insurance sectors.

Our recent, independently developed economic impact study (attached) by the well-respected economic analysis firm Martin Associates, highlights the nearly 1.3 million jobs that would be put at risk by additional steel import restrictions.

We fully appreciate that a significant aspect of the policy rationale for this investigation is to address steel market distortions caused by large volumes of global excess capacity, which you noted in the first section of your Memorandum for the Secretary of Commerce on April 20, 2017. We share your deep concern regarding this serious, long-standing problem, and have called for concerted, sustained, American-led diplomatic efforts to address it. However, imposing job-killing trade restrictions on steel imports will do nothing to counter and roll back the prolific use of state subsidies by some countries, most especially China, that are almost completely responsible for global excess steel capacity. In addition, it would be highly premature to consider imposing any such restrictions when the Global Forum on Excess Steel Capacity, which the United States helped create, has not even delivered its first report, or held its first ministerial meeting.

We also urge you to consider the fact that the United States steel industry is already the most protected industry sector in the country, and has been for some time. The comprehensive nature of this protection is clearly seen by the fact that the majority of all anti-dumping and countervailing duty orders on the Federal Register today apply to steel and steel-related...
products.

In addition, the overall domestic steel industry has been profitable since 2009, according to Department of Commerce data, a sign of an improving economy. Any new trade restrictions on steel imports will result in global retaliation well outside the steel realm. America's highly competitive agricultural producers, ranchers, and farmers are always attractive targets for trade retaliation by our trade partners, as we saw in 2009 when the United States imposed duties on imported Chinese tires. China almost immediately responded with restrictions on U.S. chicken exports, resulting in the loss of a $750 million annual market. Section 232-based trade restrictions would risk triggering dangerous, tit-for-tat trade reprisals that would severely undermine the improving GDP that we are enjoying under your Administration's leadership.

Mr. President, as you know, trade retaliation is always a "lose-lose" proposition. While the United States may ultimately be able to vindicate our rights in a trade dispute, as we did in the China chicken case, it may take years of struggle and millions of dollars to do so, and, in the end, we may never fully regain the market access we lost. Moreover, none of this would strengthen our domestic steel industry, or help make our steel supply chain more robust, effective, and efficient.

Trade restrictions also bring with them the worst kind of consequences: unintended ones. As our economic impact study notes, inward-bound, steel-carrying ocean vessels provide the backhaul vessel capacity to move our export grain from the United States to overseas destinations. Last year, in 2016, we exported 47 million tons of grain via the Lower Mississippi River. With steel import restrictions in place, there would be many fewer vessels available to carry American grain overseas, putting another 50,000 American jobs at risk.

In short Mr. President, our Institute absolutely supports a strong, vibrant domestic steel industry. At the same time, we also respectfully submit that it is our entire steel supply chain, as well as other sectors of our economy, that help make and keep America great. Let us not attempt to further protect the few at the expense of many. Let us terminate the Section 232 investigation now, and keep our country's ports, and the many Americans whose livelihoods depend on them, working.

Sincerely,

The American Institute for International Steel