Introduction

Steel and other manufacturing industries are the backbone of our economy. A strong manufacturing sector creates significant benefits for society, including good-paying jobs, investment in research and development, critical materials for our national defense, and high-value exports. Yet manufacturing in the United States faces significant challenges due to a number of factors, including, for example, foreign unfair trade practices that have caused repeated surges of dumped and subsidized imports into the U.S. market and cascading job losses affecting many local communities.

In addition, the COVID-19 pandemic has caused a sharp drop in economic activity in general and in steel demand in particular, further threatening many jobs in steel and throughout the economy. To respond to this crisis, significant new public investment is needed in our nation’s infrastructure as part of a broader pro-manufacturing policy agenda to promote economic growth and job creation.

To meet these critical goals, the steel industry in the United States strongly supports the implementation of the following public policy priorities to allow U.S. manufacturers to recover and thrive, while also safely getting Americans back to work.
Trade

Foreign government subsidies and other market-distorting policies have resulted in massive global steel overcapacity and repeated surges of steel imports in the U.S. market, especially in the wake of global demand shocks. To address these ongoing challenges, AISI urges the following actions by the President and the Congress:

- Ensure the Section 232 remedy on steel imports remains in place and fully effective, particularly due to recent COVID-19 driven demand declines in steel markets in the United States and around the world; Absent effective Section 232 relief, substantial overproduction of steel in China and other countries where there is significant government intervention in the steel sector will likely result in renewed injurious surges in steel imports, threatening viability of domestic steel producers and the U.S. national security.

- Strengthen and aggressively enforce U.S. antidumping and countervailing duty laws, ensure adequate resources for the agencies responsible for enforcing these trade laws, and work to address transshipment, circumvention and evasion of trade remedy orders.

- Support the enactment of legislation that further strengthens and updates U.S. trade remedy laws to reflect current economic realities and continue to allow the countervailing duty law to be applied to currency manipulation by foreign governments.

- Press for binding commitments from China and other major steelmaking countries to eliminate steel excess capacity, to end subsidies specific to the steel sector and other market-distorting policies and practices, and to refrain from introducing new subsidy programs in the future.

- Address trade-distorting policies and practices, including cross-border subsidies, that are fueling the rapid growth in new steel capacity by Chinese firms outside of China, such as in Indonesia and other parts of Southeast Asia.

- Commit to vigorously defend and continue the practice of the United States treating China as a non-market economy (NME) for antidumping purposes, until China makes the necessary reforms to allow its economy to truly operate based on market principles.

- Ensure full and effective enforcement of the United States-Mexico-Canada Agreement (USMCA) to incentivize the use of North American steel in manufacturing and to strengthen North American manufacturing supply chains.

- Pursue WTO enforcement actions against foreign government policies and practices that are inconsistent with WTO obligations and distort trade in steel and steelmaking raw materials.

- Take meaningful action to reform the WTO to address overreach by dispute resolution panels and the Appellate Body, particularly with regard to U.S. enforcement of its rights to remedy injurious dumping and subsidization.
Transportation and Infrastructure

An efficient transportation network directly impacts the competitiveness of the domestic steel industry, its customers and suppliers, and American manufacturing as a whole. AISI urges the President and Congress to take the following actions to rebuild our nation’s infrastructure:

- Commit to substantial and sustained federal funding for infrastructure improvements through multi-year, long-term legislation to rebuild the nation’s transportation, water, energy and other infrastructure.

- Enact policies to ensure that all iron and steel materials used to build the nation’s infrastructure are produced in the United States, including provisions ensuring that the steel is “melted and poured” – and not just “finished” – in the U.S.

- Provide for full funding of the investments necessary for the revitalization of the Soo Locks in Michigan, which are essential to ensuring competitiveness of U.S. steelmakers by guaranteeing access to domestic raw materials that support domestic jobs and local communities.
Energy and Climate Change

Steel is an essential material for modern society and today’s innovative steel products help our customers, and ultimately consumers, reduce their energy and carbon footprints. Not only is steel 100 percent recyclable, but AISI member companies have reduced their energy intensity per ton of production by 35 percent and CO₂ emissions intensity by 37 percent in the past three decades. If Congress considers legislation related to climate change policy, AISI urges the President and the Congress to implement the following principles to maximize the steel industry’s role in reducing global greenhouse gas (GHG) emissions while minimizing negative impacts on domestic production and employment:

• Ensure that any legislation on GHG emissions includes provisions to address the direct and indirect compliance costs to industry and maintains the competitiveness of the domestic steel industry in the global marketplace against steel producers that operate without similar restrictions.

• Include in any climate legislation a strong and effective border adjustment provision that requires imported energy-intensive goods to bear the same climate policy-related costs as competing U.S. goods.

• Adopt policy measures that acknowledge that, to further lower energy intensity and to make additional progress on emission reductions, new processes for steelmaking must be developed that significantly reduce GHG emissions through minimizing reliance on carbon-intensive fuels.
Environmental Regulation

The domestic iron and steel industry continues to lead the world in environmental performance, making the United States a global model for the clean production of steel. The American steel industry has long identified environmental stewardship and commitment to sustainability as part of our strategic plan and vision for the future. The industry continues to aggressively seek new ways to reduce our environmental footprint. To build upon that progress, AISI urges the President and the Congress to take the following policy actions:

- Ensure that regulatory decision-making by the Environmental Protection Agency (EPA) is based on sound science and technological feasibility, as well as robust public participation and transparency.

- Ensure that EPA’s regulations are developed to provide substantial quantifiable human health and environmental benefits and take into account appropriate consideration of costs.

- Ensure that environmental regulations do not harm the U.S. steel industry’s international competitiveness.
Workforce Policy

The steel industry shares the federal government’s critical goal of ensuring safety and health at industrial workplaces. AISI urges the President and the Congress to take the following policy actions:

- Avoid overly burdensome regulations that may misdirect priorities and create unnecessary costs for employers that prevent optimum workplace safety and health benefits from being realized.

- Ensure the Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) commit to a cooperative enforcement approach, through which the agencies and employers work in partnership to advance workplace safety and health, rather than in an adversarial approach to enforcement and public shaming.

- Promote federal policies to support the development of workplace educational programs in advanced technologies that will prepare future generations for work in industries such as steel. A well-educated workforce capable of meeting the technological challenges of advanced manufacturing is essential to the steel industry’s competitiveness moving forward.