



**American
Iron and Steel
Institute**

Steelgram

Immediate Attention Requested

February 13, 2025

To: Previous Congressional Cosponsors of Leveling the Playing Field 2.0

Be an Original Cosponsor - Leveling the Playing Field 2.0 Act

Background: The American steel industry continues to face serious threats from unfairly traded imports from a variety of countries. Trade-distorting economic policies by China and other countries have contributed to massive global overcapacity in steel, estimated to be 574 million metric tons globally last year. Much of this excess capacity is in countries that are producing steel that is much more carbon emissions-intensive than American steel.

China is also expanding its trade-distorting practices beyond its borders through its “Belt and Road Initiative,” under which the Chinese government is subsidizing its steel producers as they build significant additional export-oriented steelmaking capacity outside of China – particularly in Southeast Asian countries like Vietnam and Indonesia. From 2010 to 2020, crude steel capacity in the Southeast Asian region doubled and significant additional capacity expansion is underway – over 80 percent of which is the result of Chinese cross-border investments.

U.S. trade remedy laws are the only means by which the steel industry can mitigate the harm from unfairly traded imports and help prevent plants from being idled and workers from losing their jobs. Unfortunately, U.S. trade laws as currently applied do not address subsidies given by a foreign government to production outside its borders, as China is doing today.

Situation: On February 24th, Senators Todd Young (R-IN) and Tine Smith (D-MN) are reintroducing Leveling the Playing Field 2.0 which aims to strengthen the effectiveness of the U.S. trade laws. This will give American industries and their workers the confidence that their government has the necessary tools available to fight for a level playing field against unfair foreign competitors. Specifically, this legislation includes the three provisions listed below which will help strengthen U.S. trade laws and combat unfair trade practices by other countries:

Cross-border Subsidies – Under this legislation, the Commerce Department would be given express authority to apply the countervailing duty law to products being subsidized by foreign governments outside of their borders.

Particular Market Situation – Under current law, the Commerce Department may determine that there is a “particular market situation” if the conditions in a foreign market mean the reported cost of materials and fabrication do not accurately reflect the cost of production in the ordinary course of trade. In such cases, the agency can use another calculation methodology to establish the cost of production. This legislation allows Commerce to find that there is a “particular market situation” when subsidies in another country are distorting the costs of production in the export country. For example, Commerce may determine there is a “particular market situation” if a foreign producer is using subsidized Chinese steel to manufacture downstream products that are dumped in the U.S. market. The legislation also addresses adverse court decisions that have limited Commerce’s authority to find that a particular market situation exists.

Circumvention Inquiry Timelines – Currently, there are no statutory deadlines for Commerce Department circumvention inquiries, which means domestic industries have to wait long periods of time before obtaining relief. LTPF 2.0 would establish statutory deadlines for these inquiries as follows:

- Circumvention inquiries must be initiated no later than 45 days after the inquiry request is made.
- Preliminary determinations will be made no later than 150 days after the circumvention inquiry is initiated.
- Final Determinations will be made no later than 150 days after issuing a preliminary determination.

Request: Cosponsor the Leveling the Playing Field 2.0 Act and help to strengthen U.S. trade laws to defend American workers and businesses against unfair trade practices. The cutoff for original cosponsors is Friday, February 21, 2025. To be added as an original cosponsor of this legislation please contact Burke Miller (burke_miller@young.senate.gov) in Senator Young’s Office or Omair Taher (omair_taher@smith.senate.gov) in Senator Tina Smith’s Office.

Sincerely,



Kevin M. Dempsey
President and CEO