



**American
Iron and Steel
Institute**

Steelgram

Immediate Attention Requested

April 5, 2021

**To: Members of the U.S. House of Representatives and U.S. Senate
House and Senate staff assigned to trade and/or steel issues**

New Report Confirms the Need to Preserve the Steel Tariffs

In late March, the Economic Policy Institute (EPI) released a report that confirms the steel tariffs put in place in 2018 continue to be effective and that efforts to weaken or remove the remedy on steel imports would have a devastating impact on the American steel industry. The [report](#), authored by Robert E. Scott and Adam S. Hersh, confirms that following the imposition of the tariffs in 2018, steel industry conditions improved considerably, allowing American steel producers to invest \$15.7 billion in new and upgraded facilities, creating at least 3,200 direct new jobs, with billions of additional dollars invested in industry consolidation and restructuring to increase efficiency, preserving many additional jobs.

The report also found that the steel tariffs and quotas have had no meaningful real-world impact on the prices of steel-consuming products, and therefore have caused no harm to consumers. But it also noted that widespread exclusions to the Section 232 measures have mitigated the positive economic impact of the tariffs for the steel industry.

The EPI study documented that global steel markets are plagued by chronic and growing excess capacity, driven by foreign subsidies and other forms of government support. China, the world's largest steel producing country, used government intervention to expand its steel capacity by 418 percent, or 930 million metric tons, since 2000. But rapid growth in overcapacity is not limited to China. India, Turkey, Iran, South Korea, Vietnam, Russia, Brazil, Mexico and Taiwan also saw rapid capacity growth since 2000. Governments are also intervening in markets to maintain capacity, including in the EU.

Finally, the report concludes that relaxation or elimination of the Section 232 measures in the absence of any concrete measures to eliminate excess capacity and the trade-distorting policies that fuel steel overcapacity would put the U.S. industry at risk of another import surge, undermining the new investments and hundreds of thousands of good jobs. It is for these very reasons that the American Iron and Steel Institute continues to urge that the national security tariffs and quotas on steel imports imposed in 2018 be preserved.

Thank you for your continued efforts on behalf of American manufacturing.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Dempsey".

Kevin M. Dempsey
President and CEO