

Congress of the United States
House of Representatives
Washington, DC 20515

November 7, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Ave, Northwest
Washington, DC 20500

Dear President Trump:

We write today as leaders of the Congressional Steel Caucus to request that you defend the American steel industry and its workers during your upcoming visit to China and address the issues of chronic global steel overcapacity, illegal government subsidies and state-owned enterprises, and other trade distorting practices that have injured the American steel sector. These issues pose an existential threat to the American steel industry.

American steelworkers are constantly threatened by the unfair trade practices of China. Today, China produces more steel than every other country in the world combined and contributes over half of the 700 million metric tons of global steel overcapacity. We know that America makes the most innovative and cost effective steel in the world, but we cannot compete against China when they do not follow trading norms.

For years, China has stated that it will work to address the issue of steel overcapacity by imposing capacity reductions, however those words continue to ring hollow. Over the past two years, through the G-20 Global Steel Forum and the Organisation for Economic Cooperation and Development (OECD) Steel Committee, global negotiators have worked to remedy the overcapacity crisis. However, despite the good efforts of these government negotiators there has not been meaningful reform. Instead, steelworkers and their families struggle each day to fight back imports which are eroding the industry and their lives.

The rapid growth of the Chinese steel overcapacity is directly tied to the proliferation of illegal government subsidies and state-owned enterprises. It is estimated that 95 percent of steel produced by the top 20 Chinese steel groups comes from state-owned enterprises. Further, China has consistently sold products at less than fair market value to offload their overcapacity to other countries. The Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) have consistently taken corrective actions by imposing steep antidumping (AD) and countervailing (CVD) duties, sometimes in excess of 200 percent, on Chinese steel products that were found to be traded unfairly. Unfortunately, often times when these companies and their workers receive relief from the AD/CVD orders, the damage has already been done.

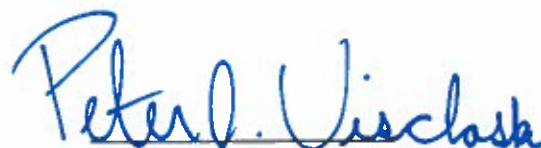
China must do more to address these issues and ensure that their steel producers are operating by fair market principles. In your discussions during your visit with Chinese government officials, we respectfully ask that you not only raise these issues but defend the American steel industry, which is essential to our country's national economy and our national security.

Sincerely,



Rep. Mike Bost
Co-Chairman
Congressional Steel Caucus

Rep. Rick Crawford
Co-Chairman
Congressional Steel Caucus



Rep. Peter J. Visclosky
Vice Chairman
Congressional Steel Caucus