



M. Robert Weidner, III CAE
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September 7, 2017

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

Dear Mr. President,

We write today on behalf of the Metals Service Center Institute, a nonprofit association that represents 330 companies in the industrial metals supply chain that operate in more than 1,200 locations across North America. Founded in 1909, our membership is very diverse, consisting of primary metals producers, metals service centers, and others in the industrial metals supply chain. Our industry employs more than 400,000 people, pays more than \$30 billion in wages, and generates more than \$180 billion in economic activity in the United States.

We write today to encourage swift, decisive action on the Section 232 steel investigation to bring certainty to the marketplace. Since you announced the Section 232 investigation in April, steel imports have surged, hitting a [29-month](#) high in June, and are up [22 percent](#) thru July over the same period in 2016. Moreover, the decline of service center shipments leaves no question that the U.S. steel industry has suffered from unfair trade practices and global overcapacity. Carbon steel shipments from MSCI member companies in 2016 were only 66 percent of peak shipments before the 2008 recession. These losses mean fewer American jobs and lower wages and have resulted in the continuing decline of countless American communities.

As you have rightly noted, problems posed by foreign government-sponsored capacity expansion demands a comprehensive response from the U.S. government. In [written testimony](#) submitted in May, MSCI argued that your administration must consider both the upstream and downstream effects of any potential remedy. The U.S. government has rightfully imposed tariffs on various metals from countries that it has deemed to be unfairly subsidizing its metal exports to the United States. There is growing evidence, however, that in an attempt to circumvent those rightfully imposed duties, the Chinese and others are simply processing that same steel into steel parts. Our members believe that these countries cannot be allowed to continue to circumvent

U.S. rules and regulations in this manner. We need solutions for the entire supply chain.

Our testimony requested that your administration not only consider the economic impact of global overcapacity on the entire domestic metals industry. It also asked that you:

- Create necessary transition times and implementation rules for any new policy;
- Ensure the availability of domestic metals to meet U.S. national security needs, as well as general industrial and consumer demand; and
- Exclude Canada and Mexico from any Section 232 penalties.

Our members eagerly await the result of the Commerce Department's inquiry. The Commerce Department's report must be thorough and well-reasoned and any resulting action must be carefully evaluated to account for downstream effects, but we urge you to act as quickly as possible to mitigate the uncertainty in the market.

We appreciate your leadership on this important matter. We have told our members and our colleagues many times that, when it comes to the fight for free and fair trade, we are at an historic moment that presents an opportunity for significant action. We have you to thank for that, Mr. President.

Sincerely,

M. Robert Weidner, III

M. Robert Weidner, III
President and CEO
Metals Service Center Institute

R. Holman Head

R. Holman Head
Chairman
Metals Service Center Institute

President and Chief Operating Officer
O'Neal Industries

cc: The Honorable Wilbur Ross
Secretary, U.S. Department of Commerce