



Leo W. Gerard
International President

September 25, 2017

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, D.C. 20230

The Honorable James Mattis
Secretary
Department of Defense
1000 Defense Pentagon
Washington, D.C. 22202

Dear Secretary Ross and Secretary Mattis:

The United States continues to have broad security interests around the globe. To meet current and upcoming challenges, our country must maintain the ability to produce weapons systems and other materials critical to the success and safety of our troops and the economic and security interests of our nation. This requires a strong, viable, and agile domestic steel industry. Unfortunately, due to the unfair trading practices of nations like China who have built up huge overcapacity and engaged in illegal and predatory trade practices, this industry that is so critical to the power and global military presence of the U.S., as well as the safety, security and resilience of our critical infrastructure, is in grave danger.

We urge the Administration to be expeditious in concluding its investigation under Section 232 of U.S. trade law to assess the effect of steel imports on national security, as the threat these unfair trading practices pose to our nation's security cannot be allowed to continue. As a result of this import crisis, almost 19,000 steelworkers were laid off in 2015 as production idled at facilities across the country. Between the 2000 – 2016 period, 48,000 domestic steel jobs and 17 million tons of domestic steel production capacity were lost. When these jobs and production are lost, the expertise and training of high-skilled steelworkers are also lost, making rebuilding that capacity even more difficult. As the leading military power in the world, these are losses that cannot be sustained. Real and broad action is necessary to address the bad actors causing this loss of production and jobs.



The ArcelorMittal steel facilities in Coatesville, PA and Conshohocken, PA (the workers at both are represented by USW) are the primary sources of high-quality carbon, high-strength low-alloy, and military-alloy steel plate to support weapons systems such as the Stryker, M1, Mine-Resistant Ambush-Protected (MRAP) vehicles, and Bradley land systems as well as all Navy Seapower systems including the Ford-class nuclear aircraft carriers, littoral combat ships, destroyers, and forthcoming Columbia-class nuclear submarines. Last week, we learned that the Conshohocken facility will soon be idled and over 200 United Steelworkers (USW) members will be laid off. ArcelorMittal has indicated that the consolidation of their four (4) plate rolling mills into three (3) plate rolling mills is caused by the loss of volume due to imports. While the Coatesville and Burns Harbor facilities will continue to supply steel plate, and may be able to meet current military contracts, the idling of the Conshohocken facility has significant short- and long-term implications.

In fact, the Conshohocken mill itself played a key role in an episode that demonstrates the need for a strong domestic steel industry. In 2007, then-Secretary of Defense Robert Gates ordered a dramatic increase in the production of MRAP vehicles in response to increased casualties in the Iraq and Afghanistan conflicts. Production of these vehicles immediately increased from 82 to 1,300 vehicles per month, which was only possible due to the domestic industry's capacity to absorb that additional demand and produce additional steel quickly and safely to ensure the safety of American troops. That the Conshohocken plant, which produced much of the additional steel to meet that need, will soon be idled makes it much less likely that the industry will have the ability to ramp up like it did in 2007 if an unforeseen need arises. The 200 Steelworkers who will be laid off, with decades of training and skills, will not be replaceable in anything like the amount of time necessary, and America's servicemen and women will be put in unnecessary danger.

Beyond the steel plate, steel is also used to manufacture other components critical to weapons systems such as nuclear propulsion systems, ball bearings, control cables, and mooring chains. The domestic steel industry is a necessary piece of the defense industrial base. Without it, we place our nation at great risk. In a September 12, 2017 letter to President Trump, a group of retired military officers and experts emphasized this point saying, "America's increasing reliance on imported steel and aluminum from potentially hostile or uncooperative governments, or via uncertain supply routes, jeopardizes our national security. If U.S. manufacturing capabilities are compromised, we will be forced to rely on countries like China and Russia to supply our military and critical infrastructure needs."¹

In addition, the United States has faced unprecedented climatic events this year. Three hurricanes have devastated the infrastructure needed to support the economies and security of hundreds of thousands of Americans. The ability to meet the demand for materials – ranging from grain oriented electrical steel to rebuild the electrical grid in

¹[http://s3-us-west-](http://s3-us-west-2.amazonaws.com/aamweb/Sec_232_ret_armed_services_flag_officers_and_national_security_experts_letter_-09_12_17.pdf)

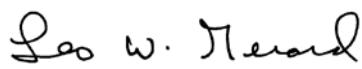
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Puerto Rico to basic steel products to rebuild our roads, ports, bridges and other critical infrastructure depends on steel products. We cannot allow foreign predatory trade practices to continue to undermine the interests of our nation.

The thousands of skilled men and women, the products they make, the incomes their families and communities depend upon, and America's ability to defend itself are all at risk. For the strength, safety and security of our nation, troops and workers, we urge the Administration to quickly complete the Section 232 steel investigation and to take broad and effective action to ensure America's continued national security.

Sincerely,



Leo W. Gerard
International President



Thomas M. Conway
International Vice President

cc:

Senator Robert P. Casey, Jr. (D-PA)
Senator Patrick J. Toomey (R-PA)
Representative Brendan F. Boyle (D-PA-13)
Representative Dwight Evans (D-PA-02)
Representative Ryan Costello (R-PA-06)
Representative Patrick Meehan (R-PA-07)
Representative Brian Fitzpatrick (R-PA-08)

