



Testimony

of

Thomas Conway

International President

**The United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial and Service
Workers International Union (USW)**

for the

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Hearing on

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Greetings Chairmen Lamb, Mrvan, Bost, and Crawford – thank you for your continued stewardship of one the most influential caucuses in Congress. It is an honor to speak with you this morning.

I have been a Steelworker for nearly forty-four years now, starting out by making steel in Northwest Indiana, and since then, I've worked to help ensure that our members can safely produce tens of millions of tons of steel every year for a good wage with good benefits in support of our communities, our economy, and our national security.

That is why I can say with confidence that through a fair bargaining process, with many of the people beside me at this table, we can reach good collective bargaining agreements by September 1.

The reasons we can approach this bargaining session with an eye toward cooperation, not confrontation, are many, and you all have had a role. However, if we want to continue that cooperation between labor and management, it is important that Congress and our government take leadership of their responsibility to ensure fair competition.

Although both the U.S. and the world's economy are being stressed in significant ways, the fundamentals of the domestic steel industry are strong because of cooperation between industry, government, and labor. The passage of the Bipartisan Infrastructure Law will add between 40 to 50 million tons of steel demand over the course of the next five years. Congress' addition of the Build America, Buy America (BABA) provisions require that all federally-financed infrastructure projects use American-made iron and steel. BABA provisions allow for the creation of good-paying jobs and increased demand for the domestic steel industry.

We see immense possibility through increasing domestic iron and steel procurement. Take for example the Department of Housing and Urban Development: just one account at HUD spends over \$400 million dollars annually on clean water and drinking water materials, such as sewer pipe. Two other agencies already ensure that U.S. workers get the first shot at making those materials. It's time to harmonize our procurement rules using BABA to maximize domestic manufacturing jobs, and Congress must continue its oversight of these agencies.

Domestic efforts to confront climate change create opportunities and challenges. Expanding clean technology manufacturing, for example, can create opportunity with new demand for steel products that go into wind turbines to smart grid to EV charging infrastructure. The clean tech industry and policymakers must create demand for those domestically produced steel products, and the steel industry must grow the capacity to manufacture them.

On the other side, the path forward by both the industry and by policymakers to reduce greenhouse gas emissions and address climate change must respect the importance of maintaining current productive capacity and incentivizing the deployment of new technologies and techniques in steelmaking, so that the U.S. industry continues to be cleaner than our global competitors.

At the same time, we cannot let our guard down on international trade. The steel and aluminum 232's and the 301 tariffs on China, when combined with effective dumping and countervailing duty laws and relief measures, have proven effective at keeping global excess steel capacity at bay. However, the OECD indicates that excess capacity, which stood at 544 million tons in 2021 has remained at persistently elevated levels since 2018.¹ We have slowed the bleeding using our trade actions, like Section 232 and anti-dumping orders, but we need to push for long term solutions that reduce excess capacity.

That is why I am encouraged by the global arrangement on steel and aluminum between the U.S. and European Union. These negotiations have the possibility of creating a larger bloc to restrict excess and dirty steel, and Congress should do everything it can to support their success. This partnership was only possible by the negotiated arrangement on the 232's between the Europeans and the U.S. The Biden Administration should be commended for working closely with USW and the steel industry to find a solution that worked for all stakeholders.

While the Department of Commerce and USTR negotiate on this global arrangement, Congress also needs to update our trade laws. Most everyone here has a cell phone, which gets a security update to prevent the hacking of your personal data every few months. Congress hasn't updated our trade laws that protect millions of jobs in seven years. Foreign governments and importers have gotten creative in evading U.S. duties. That is why the USW is supportive of the bipartisan "leveling the playing field act 2.0" and encourages every member of the steel caucus to co-sponsor that legislation. Led in the House by Representative Sewell from Alabama and Representative Johnson from Ohio, this bill would tackle China's Belt and Road Initiative subsidies and other policies, which are pouring money into steel plants in third party countries. The bill also clarifies processes and timelines making government more efficient in stopping dumped and illegally subsidized goods.

The Southeast Asian Iron and Steel Institute has highlighted in reports to the OECD that over 90 million tons of new integrated mill capacity, much of it funded by Chinese producers, will explode emissions by over three times in the region.² This is why the steel caucus should pay close attention to the Indo-Pacific Economic

¹ [Organisation for Economic Co-operation and Development](#), Statement by Mr. Ulf Zumkley, Chair of the OECD Steel Committee, March 29-31, 2022

² [Organisation for Economic Co-operation and Development](#), "The ASEAN Steel Industry Development: Investment and Green Industry Challenges", March 30, 2022

Framework that the Administration is currently negotiating, which is expected to include decarbonization provisions. The USW will not settle for less than a good framework through the Labor Advisory Committee and continued conversations with Ambassador Tai and Secretary Raimondo, but as elected representatives with an interest in steel – your engagement is needed to ensure a strong pro-worker framework.

We must also continue to advance workers' rights as part of our global agenda. Advances in the USMCA, over time, will improve labor conditions, and promote balanced and equitable growth. The advances made in USMCA must be the foundation upon which we expand workers' rights in other trade initiatives.

Russia's unprovoked invasion of Ukraine has proven the need for more secure supply chains in everything from oil, to titanium, magnesium and a host of other products, including steel. That is why we joined the domestic steel industry in pressing back on half-hearted arguments about removing steel tariffs on pipe and tube products for the oil and gas industry. While the U.S. is pulling nearly double the number of barrels of oil from a decade ago – the energy tubular industry is still operating at less than two thirds capacity. We could create good paying jobs if we do not let artificially low-cost imports flood the market and undercut American jobs.

Focusing on the items I mentioned above will help ensure a strong steel sector going forward. However, workers in the sector need a strong safety net too. In import sensitive industries, like steel, our members have benefited from robust job training programs like Trade Adjustment Assistance. The program is set to expire in September, and it would be a failure of Congress to let a program end that over 100,000 workers qualified for last year and 66 percent of those workers were employed in manufacturing. We also need to ensure that workers have a fair chance to form a union in our country through the passage of the PRO Act. We need to reduce drug costs which will lower cost pressures on private insurance plans in the steel sector. These are doable tasks that should be bipartisan.

Global and domestic events have made many Americans feel uncertain. Our union sees a pathway through that uncertainty by everyone here looking each other in the eye and agreeing to a fair bargain. Labor and management do it for every contract. I encourage Congress to join us and do the same.

Thank you and I look forward to answering any questions you may have.