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Contact: Carolyn Spector, 202-828-5802
carolyn.spector@bracewell.com

U.S. Manufacturers Testify at USITC on Negative Economic Impact of Section 232 Steel and Aluminum Tariffs

More than 75% of manufacturers surveyed report challenges sourcing steel and aluminum

Washington, DC: Members of the Coalition of American Metal Manufacturers and Users (CAMMU) joined other domestic manufacturers in testifying before the U.S. International Trade Commission (USITC) that the Section 232 tariffs, imposed in 2018, have made the United States an “island of high steel prices,” and are causing supply shortages, shipping delays, and the loss of business to overseas competitors. The hearing was part of a USITC investigation directed by Congress to study the impact of Section 232 and Section 301 tariffs on “trade, production and prices in the industries most affected by these tariffs.”

CAMMU is a broad organization of U.S. manufacturers and associations representing more than 30,000 companies and more than one million American workers in the manufacturing sector. Steel and aluminum are among the most critical inputs for CAMMU members.

CAMMU Executive Director Paul Nathanson testified that a survey of more than 70 CAMMU member companies conducted over the past two weeks found that 84% of respondents are having difficulty sourcing steel, and 76 percent are having trouble sourcing aluminum. The survey showed that 87% of respondents are experiencing delays in receiving steel supplies, and 84% are experiencing delays in aluminum supplies. Thirty-five percent of respondents reported experiencing supply delays exceeding two months, and 32 percent reported experiencing delays exceeding three months. Highlights of the survey can be found [here](#).

Excerpts from CAMMU member testimony follows:

“We need stability and certainty in our industry and the Section 232 national security tariffs on our allies and now some Tariff Rate Quotas create more instability, not less, even if you do not import much steel,” testified **Stuart Speyer, President of Tensco LLC** in Dickson, TN. “In my view, when the Section 232 tariffs were implemented, they were a solution in search of a problem... Any gains seen by the steel industry from the tariffs has been overshadowed by the losses in the companies downstream.”

“These ongoing tariffs, which are now more than four years old, have severely damaged U.S. manufacturing global competitiveness and an independent review of their impact is long overdue,” said **Scott Buehrer, President of B. Walter & Co.** in Wabash, IN. “The longer these steel tariffs remain, the

lower the long-term demand will be for American made steel resulting in fewer manufacturing jobs both at domestic steel users as well as domestic steel producers.”

“The result of protecting one industry at the expense of another simply shifts injury from a small set of companies, steel producers, to a broader set, steel consumers,” stated **Mark Vaughn, President of Vaughn Manufacturing** in Nashville, TN. “The Section 232 tariffs have shifted the injury to us without significantly increasing the availability of the material here in the U.S.”

“What matters most to U.S. manufacturers is the price difference between what they pay for steel versus what their global competitors are paying. Simply put, the Section 232 tariffs have placed U.S. manufacturers at a significant disadvantage,” testified **David Klotz, President of the Precision Metalforming Association**. “If this situation is not resolved, the steel shortages and prices in the U.S. will force some manufacturers to leave the U.S. for other countries where steel is less expensive and turn foreign made steel into products to ship back to the U.S. tariff free. Because the domestic steel industry exports very little steel, when these manufacturers close or move offshore, the domestic steel industry will also suffer.”

“IFI members continue to report that supply chain disruptions in the steel industry prevent them from filling customers’ orders on time or at a competitive cost as U.S. manufacturers are at a significant disadvantage when competing with companies overseas who pay less for steel,” stated **Dan Walker, Managing Director of the Industrial Fasteners Institute**. “The combination of high steel prices and very long lead times has resulted in our members losing long-time customers to overseas competitors, primarily in Korea and Taiwan. These customer relationships took years to develop, and once business is lost overseas, it rarely comes back.”

“Without availability, we cannot make parts, plain and simple,” said **Miles Free, Director of Industry Affairs at the Precision Machined Products Association**. “If the goal of the Section 232 tariffs was to substantially increase the supply of steel and aluminum in the U.S., they did not achieve that goal. If the goal was to incentivize the reshoring of downstream parts made with steel and aluminum, it had the opposite effect.”

“While we appreciate the original intent for the Section 232 and 301 tariffs was to protect certain national security interests and address China’s unfair trade practices, respectively, the past four years has provided more than enough evidence to demonstrate this approach has done more harm than good,” said **Charlie Souhrada, Vice President of Regulatory & Technical Affairs for the North American Association of Food Equipment Manufacturers**. “Instead, we strongly encourage the Biden Administration to revoke these tariffs and pursue trade policies that don’t ultimately hurt and tax American businesses, U.S. manufacturers, their workers, and consumers.”

You can read the full testimony of CAMMU members on the CAMMU website resource page [here](#).

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CAMMU is a broad organization of U.S. businesses and trade associations representing over 30,000 companies and one million American workers in the manufacturing sector and the downstream supply chains. More information can be found at www.tariff saretaxes.org.