



American Bridge

Trump Policy Brief: Trump's American-Made Steel Hypocrisy

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TRUMP'S AMERICAN-MADE STEEL HYPOCRISY

On April 20, 2017, President Trump issued a memo calling for an investigation into the impact of steel imports on national security and the U.S. steel industry. Trump ordered the review under the Trade Expansion Act of 1962, which allows the President to restrict trade if necessary for national security. CNN said Trump “characterized the move as another way to bring manufacturing jobs to the United States.”

The move contradicts Trump’s earlier actions as President as well as his actions as a developer. One of Trump’s first moves as President was to greenlight construction of the Keystone XL pipeline, which would be made with steel imports despite a January 2017 executive order explicitly directing new pipeline expansions to be constructed using American steel. He used Chinese steel to build his Las Vegas property.

Trump Issued A Memo Calling For An Investigation Of The Impact Of Steel Imports On National Security And The U.S. Steel Industry

Trump Directed Commerce Secretary Wilbur Ross To Investigate The Impact Of Steel Imports On National Security Readiness. According to CNN, “President Donald Trump directed his administration Thursday to investigate whether imports of foreign steel are harming US national security. The probe, led by Commerce Secretary Wilbur Ross, is expected to determine whether US manufacturers can quickly scale up production during a national security event with their current supply of US and imported steel. The investigation could result in recommendations on whether to curb steel imports.” [CNN, [4/20/17](#)]

- **Trump Ordered The Review Under The Trade Expansion Act Of 1962 That Allows The President To Restrict Trade If Necessary For National Security.** According to CNN, “The investigation actually began Wednesday evening, before Trump signed his memo surrounded by representatives of the US steel industry. The document fell under the Trade Expansion Act of 1962, a section of which permits a US president to restrict trade if he determines it is harmful to US security. The law requires Ross to conduct the administration-wide review within 270 days, though Trump said Thursday he expected the review within 50 days. Ross explained Thursday the administration wanted to determine whether harsher penalties for excess steel production were required to bolster US security.” [CNN, [4/20/17](#)]

CNN: “Trump Characterized The Move As Another Way To Bring Back Manufacturing Jobs To The United States.” According to CNN, “Speaking in the Oval Office Thursday, Trump characterized the move as another way to bring back manufacturing jobs to the United States, a top priority that he said likely helped him win office.” [CNN, [4/20/17](#)]

Memo: “Both The United States And Global Markets For Steel Products Are Distorted By Large Volumes Of Excess Capacity -- Much Of Which Results From Foreign Government Subsidies And Other Unfair Practices.” According to a Presidential Memorandum titled “Steel Imports and Threats to National Security,” “Core industries such as steel (including specialty steel unique to defense applications), aluminum, vehicles, aircraft, shipbuilding, and semiconductors are critical elements of our manufacturing and defense industrial bases, which we must defend against unfair trade practices and other abuses. In the case of steel, both the United States and global markets for steel products are distorted by large volumes of excess capacity -- much of which results from foreign government subsidies and other unfair practices.” [White House Office of the Press Secretary, “Steel Imports and Threats to National Security,” [4/20/17](#)]

Memo: “The United States Has Placed More Than 150 Antidumping And Countervailing Duty Orders On Steel Products, But They Have Not Substantially Alleviated The Negative Effects That

Unfairly Traded Imports Have Had On The United States Steel Industry.” According to a Presidential Memorandum titled “Steel Imports and Threats to National Security,” “The United States has placed more than 150 antidumping and countervailing duty orders on steel products, but they have not substantially alleviated the negative effects that unfairly traded imports have had on the United States steel industry. Repeated efforts by the United States to encourage other countries to reduce and address the underlying causes of excess capacity in the steel market have had little meaningful effect. The artificially low prices caused by excess capacity and unfairly traded imports suppress profits in the American steel industry, which discourages long-term investment in the industry and hinders efforts by American steel producers to research and develop new and better grades of steel. If the present situation continues, it may place the American steel industry at risk by undermining the ability of American steel producers to continue investment and research and development, and by reducing or eliminating the jobs needed to maintain a pool of skilled workers essential for the continued development of advanced steel manufacturing.” [White House Office of the Press Secretary, “Steel Imports and Threats to National Security,” [4/20/17](#)]

One Of Trump’s Earliest Actions In Office Was To Greenlight Construction Of The Keystone XL Pipeline, To Be Built With Imported Steel

President Trump Signed An Executive Order Intended To Advance The Construction Of The Keystone XL Pipeline. According to the New York Daily News, “President Trump signed two executive actions Tuesday that will advance construction of the controversial Keystone XL and Dakota Access pipelines. [...] Trump’s executive actions make good on campaign promises to help move the pipelines forward and adhere to his oft-stated desire to ease, or eliminate altogether, regulations, including ones pertaining to the environment, to help spur economic growth.” [New York Daily News, [1/24/17](#)]

- **Trump Also Ordered The Commerce Department To Develop A Plan Requiring New Construction On Pipelines Within The U.S. To Use Steel And Iron Manufactured In The U.S.** According to the Presidential Memorandum Regarding Construction of American Pipelines signed by President Donald J. Trump, “The Secretary of Commerce, in consultation with all relevant executive departments and agencies, shall develop a plan under which all new pipelines, as well as retrofitted, repaired, or expanded pipelines, inside the borders of the United States, including portions of pipelines, use materials and equipment produced in the United States, to the maximum extent possible and to the extent permitted by law. [...] ‘Produced in the United States’ shall mean: (i) With regard to iron or steel products, that all manufacturing processes for such iron or steel products, from the initial melting stage through the application of coatings, occurred in the United States.” [White House Office of the Press Secretary, “Presidential Memorandum Regarding Construction of American Pipelines,” [1/24/17](#)]
- **The Order Applied To “Retrofitted, Repaired, Or Expanded Pipelines.”** According to the Presidential Memorandum Regarding Construction of American Pipelines signed by President Donald J. Trump, “The Secretary of Commerce, in consultation with all relevant executive departments and agencies, shall develop a plan under which all new pipelines, as well as retrofitted, repaired, or expanded pipelines, inside the borders of the United States, including portions of pipelines, use materials and equipment produced in the United States, to the maximum extent possible and to the extent permitted by law.” [White House Office of the Press Secretary, “Presidential Memorandum Regarding Construction of American Pipelines,” [1/24/17](#)]

February 2017: President Trump Said that The Companies Involved In Constructing The Keystone XL Pipeline Would “Have To Buy” Pipes Made From U.S. Steel. According to CNBC, “The Commerce Department has not yet issued a report on the requirement, but Trump on Thursday said the

companies behind the Keystone XL and Dakota Access pipelines would 'have to buy' pipes made from U.S. steel. [...] 'We put you heavy into the pipeline business because we approved, as you know, the Keystone pipeline and Dakota, but they have to buy, meaning steel, so I'll say U.S. steel, but steel made in this country and pipelines made in this country.'" [CNBC, [2/23/17](#)]

March 2017: A White House Spokeswoman Said The Keystone And Dakota Access Pipelines Would Not Have To Be Built With American Steel. According to the Associated Press, "The Keystone XL oil pipeline won't use American steel in its construction, despite what President Donald Trump says. White House spokeswoman Sarah Huckabee Sanders said Friday that's due to language in a presidential directive Trump issued in January. The directive applies to new pipelines or those under repair. Sanders said it would be hard to do an about-face on Keystone because it's already under construction and the steel has been acquired. Trump said as recently as last week that Keystone and the Dakota Access pipeline must use American steel 'or we're not building one.'" [Associated Press, [3/4/17](#)]

Trump Used Chinese Steel To Build His Las Vegas Property

Trump Stiffed American Steel Workers On His Construction Projects For Years, Opting Instead For Chinese Steel. According to Newsweek, "Plenty of blue-collar workers believe that, as president, Donald Trump would be ready to fight off U.S. trade adversaries and reinvigorate the country's manufacturing industries through his commitment to the Rust Belt. What they likely don't know is that Trump has been stiffing American steel workers on his own construction projects for years, choosing to deprive untold millions of dollars from four key electoral swing states and instead directing it to China—the country whose trade practices have helped decimate the once-powerful industrial center of the United States. A Newsweek investigation has found that in at least two of Trump's last three construction projects, Trump opted to purchase his steel and aluminum from Chinese manufacturers rather than United States corporations based in states like Pennsylvania, Ohio, Michigan and Wisconsin." [Newsweek, [10/3/16](#)]

Trump Used Chinese Steel To Build His Las Vegas Property "Providing Financial Benefits To An Array Of Chinese Companies And Even The Government" At The Expense Of American Workers. According to Newsweek, "According to government documents, the Chinese entity chosen by Trump to provide steel for the Las Vegas property is a holding company called Ossen Innovation Co. Ltd.—formerly known as Ultra Glory International Ltd. That British Virgin Islands entity in turn owns a second holding company called Ossen Innovation Materials Group Ltd., which, through a complex legal arrangement, indirectly owns Ossen Innovation Materials Co. Ltd., and through it, Ossen (Jiujiang) Steel Wire & Cable Co. Ltd., the operating business located in Shanghai. With such layers upon layers of corporate shells and divisions, builders like Trump can purchase their steel from less-expensive Chinese suppliers without the ultimate supplier being readily apparent. That steel was then used in the construction of the Las Vegas property. [...] When Americans like Trump purchase their steel through Ossen, they are providing financial benefits to an array of Chinese companies and even the government. For example, Ossen corporate records show Chinese banks provide all of its short-term financing in the form of loans that almost all mature after one year, and then are replaced by new loans; most Chinese banks are arms of the state, tightly controlled by the Chinese Communist Party, and provide financing to companies that are competitors to American manufacturers in other industries." [Newsweek, [10/3/16](#)]