



## **CONGRESSIONAL STEEL CAUCUS BRIEFING**

**Oral Statement of Dennis M. Oates  
Chairman, Specialty Steel Industry of North America**

**Chairman, President and Chief Executive Officer  
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## **Introduction**

Good morning, I am Dennis M. Oates, Chairman of the Specialty Steel Industry of North America (SSINA). I am also Chairman, President and CEO of Universal Stainless and Alloy Products, Inc.

SSINA is a Washington, DC-based trade association representing virtually all continental specialty metals producers, including high technology, high value stainless and other specialty alloy products.

## **Trade**

SSINA members faced difficult market conditions and aggressive imports in 2015. This situation worsened substantially in 2016. Import penetration was up in 2015 over 2014 in key product lines such as stainless steel sheet and strip, and stainless steel bar. The industry faces widespread dumping in the U.S. market by foreign competitors, and massive subsidization by foreign governments, particularly China. Antidumping and countervailing duty cases were filed against China on stainless steel sheet and strip and we are considering cases on other products as well.

SSINA joins with our colleagues in other sectors of the steel industry in strongly opposing the granting of “market economy” status to China in December. Particularly in steel, China is simply not a market economy. We will provide you with further legal and economic arguments in the near future.

## **Defense**

In 2015, SSINA successfully continued its long-standing efforts to defend and preserve the integrity of the Specialty Metals Amendment against attacks, both from the defense contracting community and from the Department of Defense (DOD) itself. DOD has

consistently tried to weaken the law through changes in the regulatory process or by limiting enforcement in cases of non-compliance.

Repeal or weakening of the Specialty Metals Amendment would constitute a threat to the defense industrial base. It would not be in the national interest if the U.S. were dependent upon Russia or China as a result of weakening of the law. SSINA appreciates the efforts of the Congressional Steel Caucus to retain the effectiveness of this important law.

### **Environment**

U.S. steel manufacturing collectively faces the most stringent environmental requirements in the world. Some of the industry's best and brightest engineering minds and substantial resources are directed at ensuring that emissions from our facilities do not pollute the nation's air, waterways, and natural resources. Compliance with environmental regulations is a core value of SSINA and its members.

These efforts, however, come with costs that hinder our competitiveness with foreign manufacturers, particularly those from China, India, and other developing countries that either lack comparable regulations or enforce their regulations less aggressively than the United States.

While some regulations are relatively costly, it is the cumulative impact of all the environmental, health and safety regulations that result in a heavy burden on U.S. producers of stainless and specialty steel. Taken as a whole, the numerous environmental programs under the Clean Air Act, Clean Water Act, RCRA, EPCRA, and even TSCA, require extensive capital and operational expenditures to maintain compliance. Regulatory authorities, at both the state and federal levels, regularly inspect steel facilities and aggressively enforce these regulations.

What is alarming is the prospect of adding further layers of regulation – such as an unnecessary mercury rule, unjustified expansion of the Clean Water Act, and increased energy costs due to greenhouse gas regulations.

My written statement includes more details regarding our concerns about certain environmental regulations.

### **Conclusion**

In conclusion, SSINA deeply appreciates the strong support the Congressional Steel Caucus has given to our industry for decades. We look forward to continuing this important work with members of the Caucus and staff. Thank you.

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