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**Steel 232 Tariffs and Quotas  
The View from the Steel User's Perspective**

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# What Steel Users Need

- Predictability
  - Prices (upstream/downstream)
  - Consistency of Quality
  - Delivery
- To be listened to by their suppliers
- Better information
  - “Capacity”
  - Prices
  - Contract vs. spot

## Tariffs and Quotas— One Year In

- Import effects—imports are down from a year ago
- Price effects—prices are down after a spike last summer
- Demand effects—demand for steel is down from last summer

## Are the Tariffs and Quotas Delivering?

- Steel producer profits—up for a while, but investors not impressed
  - Integrated mills
  - EAF mills
- Investment in new and modern capacity—some (announced)
- Higher domestic prices—not at the moment
- Jobs—no
- Encouraging Chinese production cuts—no

# The Trends on Tariffs

- Countries excluded
  - 2018—Australia
  - 2019—Australia, Canada, Mexico
- Tariff reduction--Turkey
- Product exclusions—
  - A flawed system
  - Despite the flaws, more approvals
- Other priorities for the federal government
  - China
  - Iran
  - USMCA

# Tariffs are Taxes

- US importers pay the tariffs
- Foreign exporters do not pay tariffs
- Are tariffs helping the country?
  - High costs in the US drive companies offshore by making foreign competitors more cost-effective
    - They leave the country, or they leave the business to others outside the United States
  - Steel users in the US are less competitive
  - The longer they stay, the more these effects will hurt
- Are quotas better?