
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 365 Session of
2015

INTRODUCED BY BREWSTER, RESCHENTHALER, ARGALL, TEPLITZ,
RAFFERTY, WHITE, VOGEL, YUDICHAK, MENSCH, BARTOLOTTA, FOLMER,
WARD, STEFANO, VULAKOVICH, LEACH AND DINNIMAN, MAY 26, 2016

REFERRED TO INTERGOVERNMENTAL OPERATIONS, MAY 26, 2016

A RESOLUTION

1 Urging the President of the United States and Pennsylvania's
2 elected Federal officials, including United States Senators
3 and United States Representatives to fight for strong
4 enforcement of our nation's trade laws to level the playing
5 field with China and other countries, taking necessary action
6 to protect the domestic steel industry from unfair foreign
7 competition and urging the United States Department of
8 Commerce to maintain China's nonmarket economy status to
9 preserve the ability of United States companies and American
10 workers to access domestic trade remedy laws.

11 WHEREAS, Manufacturing is a critical part of this
12 Commonwealth's economy, providing 569,600 jobs; and

13 WHEREAS, The number of manufacturing jobs declined in this
14 Commonwealth over the last year; and

15 WHEREAS, Only 30,000 manufacturing jobs were created
16 nationwide in 2015, compared to 2.7 million jobs created across
17 the entire economy; and

18 WHEREAS, Manufacturing industrial sectors are at risk of
19 sliding back into recession due to an alarming surge of unfairly
20 priced imports from China and other nations; and

21 WHEREAS, The United States trade deficit with China set a new

1 record in 2015 at \$366 billion; and

2 WHEREAS, The Institute for Supply Management's manufacturing
3 index shows that the sector contracted in February 2016 for the
4 fifth consecutive month; and

5 WHEREAS, The steel industry, in particular, is suffering from
6 an unprecedented surge in imports into the United States from
7 nations such as Brazil, China, India, Russia, South Korea,
8 Turkey and Vietnam; and

9 WHEREAS, Steel is used in a broad range of applications,
10 including the following: automobiles, energy production and
11 transmission, transportation infrastructure, including bridges,
12 highways, airports and railroads, public safety infrastructure,
13 such as water treatment, construction of hospitals, schools,
14 industrial plants and commercial buildings and national
15 security, including aircraft carriers, nuclear submarines, tanks
16 and armored transports; and

17 WHEREAS, The steel sector is an engine for good-paying jobs
18 for more than 1 million Americans, supporting approximately
19 136,000 jobs in this Commonwealth according to the American Iron
20 and Steel Institute; and

21 WHEREAS, Every steel industry job supports up to five
22 additional jobs in this Commonwealth's economy and provides
23 family-sustaining jobs; and

24 WHEREAS, Major steel mills were recently closed or idled in
25 this Commonwealth and across the United States; and

26 WHEREAS, Finished steel imports increased by a dramatic 36%
27 in 2014 and set an all-time record; and

28 WHEREAS, Finished steel imports captured 29% of the United
29 States market in 2015, the second consecutive year that figure
30 was at an all-time record, up from just 23% in 2013; and

1 WHEREAS, Domestic steel shipments declined by over 12% in
2 2015 and plant activity averaged just 70% for 2015, well below
3 profitable levels; and

4 WHEREAS, Multiple steel-producing countries are taking nearly
5 one-third of the domestic market, which harms families and
6 communities and is a threat to our national economic security;
7 and

8 WHEREAS, A major cause of the steel import surge is global
9 steel industry overcapacity, a measure of excess production
10 capacity above what is necessary to meet market demand; and

11 WHEREAS, China's steel industry, which now represents half of
12 all global steel production, is almost completely subsidized,
13 owned and state-supported by China's central and provincial
14 governments, with 9 out of its top 10 producers being state
15 owned; and

16 WHEREAS, China continues to overproduce steel with the
17 backing of aggressive government support and trade policies that
18 are resulting in Chinese exports flooding every market around
19 the world, creating a domino effect on trade flows; and

20 WHEREAS, Chinese crude steel production soared from 128
21 million metric tons in 2000 to 823 million metric tons in 2014,
22 an increase of nearly 700 million tons; and

23 WHEREAS, The Organization for Economic Cooperation and
24 Development estimates that there is approximately 700 million
25 metric tons of excess steel capacity globally today; and

26 WHEREAS, Much of the world's steel ends up in the United
27 States because we have the most open market in the world and
28 because other countries are more aggressive in putting
29 safeguards and tariffs in place; therefore be it

30 RESOLVED, That the Senate of the Commonwealth of Pennsylvania

1 urge the President of the United States and Pennsylvania's
2 elected Federal officials, including United States Senators and
3 United States Representatives to fight for strong enforcement of
4 our nation's trade laws to level the playing field with China
5 and other countries, taking necessary action to protect the
6 domestic steel industry from unfair foreign competition and
7 urging the United States Department of Commerce to maintain
8 China's nonmarket economy status to preserve the ability of
9 United States companies and American workers to access domestic
10 trade remedy laws.