

August 4, 2023

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington DC, 20230

The Honorable David S. Johanson
Chairman
U.S. International Trade Commission
500 E St. SW
Washington DC, 20436

Re: Antidumping and Countervailing Duty Investigations of Tin Mill Products; Case Nos. A-122-869, A-570-150, A-428-851, A-580-915, A-421-816, A-583-870, A-489-848, A-412-827, C-570-151

Dear Secretary Raimondo and Chairman Johanson:

We, a coalition of 26 free-market organizations and individuals, representing tens of millions of U.S. consumers and taxpayers, voice our strong opposition to the petition, filed by Ohio steel corporation Cleveland-Cliffs and the United Steel Workers of America, to increase tariffs on imported tinplate steel by up to 300 percent on eight of our trading partners.

Historically, steel tariffs have acted as an artificial tax and invariably when applied have resulted in higher prices of consumer goods while reducing GDP, stifling wages, eliminating jobs, creating economic uncertainty, and reducing business investment. We expect no less a pitfall of maladies from the tariffs proposed in the petition before you.

Currently U.S. steel producers provide slightly less than half of the tinplate steel domestic can manufacturers require, making imported tinplate steel absolutely essential to our economy and supply chain. Higher tariffs will result in greater costs for can manufacturers who are already paying among the highest prices for tin mill steel and are currently impacted by Section 232 tariffs and quotas. If their foreign suppliers are burdened with additional tariffs, U.S. can manufacturers will have no choice but to raise prices on their customers who package their products in tinplate cans, who likewise will have to pass these higher costs to consumers. The end result of course will be inflated prices on thousands of items U.S. families purchase every day, from canned food to motor oil to hair spray. This inflation will most significantly impact lower-income Americans who disproportionately rely on canned food items given their affordability, as well as the food banks and charities that rely heavily on canned donations to help feed up to 50 million Americans every year.

An economic study released by the Juday Group notes that Cleveland-Cliffs' can tax would raise prices on canned items by 19-30 percent, or up to 58 cents per canned item. At a time when Americans are struggling through the worst bout of inflation in 40 years — on grocery items especially — that has significantly reduced their purchasing power, double-digit price increases on some of our most basic necessities and food staples would be especially tragic for the poor and the elderly living on fixed incomes.

Cleveland-Cliffs attempts to justify their petition on the grounds that imported tinplate steel is targeting American jobs, yet according to a Trade Partnership Study, for every steelworker job they claim to be protecting there are 600 union and non-union jobs in other industries that could be eliminated if their petition is granted, up to 40,000 total.

The significant additional costs of tin mill steel will not only force domestic can manufacturers to lay off workers, but reduce production and output. Some can makers may shift production outside of the U.S., which would result in an added blow to American farmers and food processors and could potentially undermine our nation's food security, making America more dependent on finished canned food products from other nations, China especially.

A cost-benefit analysis of this petition shows all of the advantages accruing to Cleveland-Cliffs' profits and to their union for protectionist job security while the rest of America would pay the price through higher prices at the store, job losses, possible supply-chain shortages, and an overall weaker economy. Note also that no other U.S. maker of tinplate steel has joined in the petition, underscoring just how enormously lopsided this proposal is in favor of just one company at the expense of 130 million U.S. households.

While the economic devastation of Cleveland-Cliffs' petition is inarguable, their petition itself is unwarranted and falls far short of producing sufficient evidence that would justify the enormously harmful outcome they seek. Cleveland-Cliffs is a rapidly expanding company that is the top supplier of steel to the North American auto industry, and focuses approximately two percent of their annual output on tinplate. Their claim of economic injury is spurious at best, as is their blanket accusation against eight nations – which includes some of our closest trading allies – that they are engaging in illegal “dumping” of underpriced steel product.

One obvious sign of Cleveland-Cliffs' bogus petition is that it includes types of tinplate required by some U.S. can manufacturers, but which are not even manufactured by any domestic steel company. To claim injury concerning a product that is not produced domestically is shamelessly absurd and demonstrates a lack of good faith that undermines the credibility of Cleveland-Cliffs' claims of harm.

We understand and appreciate both the seriousness and thoroughness by which you must conduct this investigation, but we cannot help but caution you to the significant harm that would befall our economy, still struggling to recover from the devastation of COVID, as well as to over 300 million U.S. consumers who will pay the price and bear all of the burdens of the consequences should this exceptionally dubious request be granted. When all of the facts and data are reviewed, we are confident you will make the correct decision in swiftly disposing of this extremely harmful and ill-conceived petition.

On behalf of millions of Americans battling every day just to get by while hoping for better days, we thank you for your time and consideration.

Sincerely,

Gerard Scimeca
Chairman
Consumer Action for a Strong Economy

Matthew Kandrach
President
Consumer Action for a Strong Economy

Saulius “Saul” Anuzis
President
60 Plus Association

Phil Kerpen
President
American Commitment

Brent Gardner
Chief Government Affairs Officer
Americans for Prosperity

Grover Norquist
President
Americans for Tax Reform

Ryan Ellis
President
Center for a Free Economy

Daniel J. Mitchell
President
Center for Freedom and Prosperity

Jeffrey Mazzella
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Center for Individual Freedom

Thomas A. Schatz
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Yaël Ossowski
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Brian Minnich
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Mario H. Lopez
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Brandon Arnold
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Paul Gessing
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Rio Grande Foundation

David Williams
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Lindsay Killen
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James Madison Institute

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Jerry Theodorou
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