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MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny
202/224-1308
RE: President Bush's Steel Decision
DA: Tuesday, March 5, 2002

Sen. Chuck Grassley, ranking member of the Senate Committee on Finance, issued the following comment about reports of President Bush's decision to impose tariffs against steel imports.

“Over the last few months, I've expressed my strong concerns about imposing quantitative restrictions or barriers to U.S. steel imports, and I remain concerned today. The number of workers in industries that consume steel in the United States far outweighs the number of workers within the steel industry. Imposing barriers or other restrictions on their ability to import the steel they need to compete could have a lasting detrimental impact on these U.S. companies and their workers.

“While I may not agree with his decision, the President deserves credit for sticking to his word and tackling one of the most complicated and difficult international trade issues facing the United States. There's a long history of market intervention in international steel trade, and we can't expect to solve the problem overnight. I hope today's decision will help the domestic steel industry accomplish the kind of restructuring and consolidation that's needed to fully compete in the international environment. The steel industry shouldn't squander this opportunity.

“It's important to remember that the decision to impose tariffs on domestic steel imports is just one element of the President's comprehensive steel policy initiative. It's also very important that talks to reduce overcapacity in the global steel industry continue under the auspices of the OECD. We need to pursue negotiations to establish additional disciplines on subsidies and other market-distorting practices abroad. The Trade Promotion Authority bill which passed the Senate Finance Committee last year by a vote of 18 to 3 directs the President to make addressing these practices a priority. We need to get this bill passed by the full Senate as soon as possible so the President will have real credibility when negotiating with our trading partners to eliminate unfair trading practices.”