

PROVIDING FOR CONSIDERATION OF H.R. 975, REDUCING VOLUME OF STEEL IMPORTS AND ESTABLISHING STEEL IMPORT NOTIFICATION AND MONITORING PROGRAM

SPEECH OF

HON. BRIAN BAIRD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1999

Mr. BAIRD. Mr. Speaker, I rise today to express my support for this legislation, that seeks to address the serious steel dumping problem which has resulted in the loss of over 10,000 steelworker jobs nationwide; but also to inform my colleagues about a concern that I have about some potential impacts of such legislation.

Mr. Speaker, I do believe that the rapid escalation of steel imports into the United States over the past eighteen months has reached crisis levels. Reports indicate that steel imports increased by 72 percent from November of 1997 to November of 1998, and that increase has led to staggering layoffs and reductions in work hours for those working in our nation's steel industries. Those layoffs and work stoppages have seriously concerned me and should alarm all of us.

During that period, imports from Japan were up 260 percent, imports from Russia advanced 262 percent, and those from Korea increased by over 220 percent. Imports from Brazil, Ukraine, China, Indonesia, and South Africa have steadily grown. In some cases, foreign manufacturers have been shown to have sold steel for well under the cost of production.

It is clear that the United States must take strong action to ensure the enforcement of our trade policies. Mr. Speaker, I support policies that enhance U.S. trade partnerships, but I also believe that we must demand fair and responsible trade behavior from those partners. Our nation must not stand idle while our laws are flagrantly violated. Therefore, I strongly support the intent of H.R. 975 and the measures that the legislation would implement to control steel import levels at pre-crisis levels.

However, my concern lies in the potential impact that this legislation may have on a manufacturer in my district—a manufacturer that would face legitimate hardship under the current version of the bill.

The district which I represent, Washington's third district, includes several steel and aluminum production facilities. One of these facilities is The Broken Hill Proprietary Coated Steel Corporation (BHP CSC), located in the city of Kalama. In December of 1997, BHP began production of cold rolled full hard steel and galvanized sheet steel that is frequently used in the metal building and construction industries. The facility annually utilizes approximately 350,000 tons of hot band steel in the manufacture of over 300,000 tons of bare and painted sheet steel products.

Unfortunately, I have been informed that availability of the hot band steel needed for this plant is limited from domestic producers. The technologies utilized in the manufacturing process at the Kalama facility apparently re-

quire that very specific requirements be met for the quality, physical properties and size of the hot band steel used as a raw material, and most domestic producers of hot band steel are reportedly unable to meet the demands of the Kalama plant.

Therefore, BHP CSC has relied on imported hot band steel for the majority of their needs since beginning operations in 1997, and the primary source of those imports has been the BHP parent company, located in Australia. That Kalama plant has been the exclusive recipient of imports to the U.S. from the company's Australian parent. This plant has not been used as a conduit for large quantities of steel imports to be used by other manufacturers.

My concern deals with the consequences of imposing a strict quota on steel imports. In its current form, the legislation only cuts back steel imports to levels existing in July of 1997. This restriction is not only reasonable, it is necessary, and to be clear, I think we need this legislation. However, it may also severely limit the availability of the high-grade hot band steel required by the Kalama BHP facility.

As a consequence, Mr. Speaker, the productive capacity of the plant will be significantly diminished, and the limits may, in fact, result in the loss of jobs in the steel industry. Now, I can't imagine that supporters of this legislation would find job losses to be an acceptable result of a United States response to illegal trade activities.

And Mr. Speaker, I want to take a moment to call your attention to why this facility is so important to the economic survival of this corner of rural America. This economically disadvantaged area in Southwest Washington was, until recently, primarily dependent on natural-resource based industries for its economic survival. As a result of increasing limitations on timber cutting and shrinking salmon runs, the workforce needs in Cowlitz County have been scaled back again and again. Only six years ago, this area faced double-digit unemployment rates, and still has one of the highest rates in the nation.

So, Mr. Speaker, when we pass legislation that may affect the job security of over 250 hard-working people in Cowlitz County, I get gravely concerned. That's why I immediately began working on this issue when I was sworn into office at the beginning of this year.

And it is also the reason that I drafted an amendment to this legislation to provide limited waiver authority for companies with legitimate barriers to obtaining steel products for their manufacturing processes from domestic sources, to import limited amounts of steel in order to continue operations. My amendment would have permitted the Secretary of Commerce to establish a certification process to determine whether or not a manufacturer has sincere impediments to obtaining adequate quantities of steel raw materials; and, in such cases, to waive the import restrictions in only those cases.

Unfortunately, the rule providing for consideration of this legislation prevented me from introducing such an amendment, and precluded members from having the opportunity to vote on a measure that I believe would make a minimal, but desperately necessary adjustment to the overall bill. In fact, that rule

prevented the introduction of any amendments.

Although I find this disappointing, I have received assurances from my colleagues that efforts will be made to address this situation as this legislation moves through the process, and I will continue to support those efforts.

As a Member of Congress, I have a responsibility to ensure that what we do here in Washington, DC, benefits my constituents in Washington State, and also to help safeguard our national interests. I believe that the enactment of this legislation, as perfected by my amendment, would serve both of these purposes. Although still imperfect, I will act today to enforce the trade policies of the United States, while continuing my efforts to protect the economic security of all steelworkers nationwide as the legislative process moves forward.

I ask my colleagues to support these efforts as we work with the other body in considering this measure. We all have an interest in keeping jobs in the United States, so let's work together to take the strongest, most appropriate measures possible to bolster this industry.

Of equal importance, I call on the President to address this situation before this flood of steel imports overwhelms what remains of the United States steel industry—an industry that has retooled to become one of the most efficient in the Nation. In the future, as a result of this measure, I hope that we can take swift, and more effective actions when sudden surges in foreign exports to our nation unfairly threaten our industries.

Mr. Speaker, I want to again thank my colleagues Mr. VISCLOSKY and Mr. TRAFICANT, and many others, for their tremendous, persistent work in bringing public attention to this issue and for helping bring this measure to the full House for our consideration.

PERSONAL EXPLANATION

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise today to insert in the RECORD that I inadvertently voted no on Roll Call 69 on March 24, 1999. I intended to vote yes on this amendment offered by Representative Tiahrt to H.R. 1141, the Emergency Supplemental Appropriations bill.

This amendment would have offset the remaining portion of the Supplemental that was not offset by the bill. It is vitally important that all additional spending is offset. Because if it is not offset, it is paid for out of the Social Security Trust Fund surplus.

Of primary concern is Social Security. As we all know Social Security is the most popular and important program in the nation's history. It touches almost every family in America. When it comes to Social Security, this program must not be sacrificed to tax cuts or extra spending. I look forward to the day when we engage in the debate on reform with the knowledge that every cent in the Social Security Trust Fund is safe.