May 25, 2018

President Donald J. Trump
The White House
1600 Pennsylvania Ave. NW
Washington DC 20500

Mr. President:

As you and members of your cabinet discuss country exemptions from steel and aluminum tariffs, the American Petroleum Institute (API) requests that you permanently exempt – without imposing alternative measures such as quotas – all currently-exempt countries from these tariffs, expand the list of exempted countries, and remove any associated import quotas that have already been imposed. American oil and natural gas companies are already subject to existing anti-dumping/counter-vailing duties (AD/CVDs) that have been imposed on imports of steel and aluminum from several countries and suppliers. For your reference, you may find attached to this letter a compilation chart of import data for the oil and natural gas industry arranged by country.

The American oil and natural gas industry relies on imported specialty steel due to a lack of domestic availability of the quality and quantity of products required for drilling, pipelines, LNG export facilities, refineries, and petrochemical operations. Additional Sec. 232 steel and aluminum import restrictions will have a negative effect on our industry just as we have achieved the highest level of domestic hydrocarbon (oil and natural gas and natural gas liquids, or NGLs) production since 1949 – according to EIA data. Without this specialty steel, there is the potential for ongoing and future U.S. energy projects to be severely affected or stalled, which will also harm businesses and consumers as well.

While we oppose import restrictions of any kind, we are also committed to working with the Department of Commerce to achieve a practical, fair, and flexible product exclusion application process.

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1 API is a national trade association representing over 625 member companies involved in all aspects of the oil and natural gas industry. API’s members include producers, refiners, suppliers, pipeline operators, and marine transporters, as well as service and supply companies that support all segments of the industry. API member companies are leaders of a technology driven industry that supplies most of America’s energy, supports more than 9.8 million jobs and 8 percent of the U.S. economy, and since 2000 has invested nearly $2 trillion in U.S. capital projects to advance all forms of energy.
Transparency and flexibility in this process will enable the U.S. oil and natural gas industry to continue our global energy dominance, create higher-paying jobs and support increased U.S. investments.

Together, these tariff and quota policies force American oil and natural gas companies to choose between higher costs due to tariffs or limited supply due to quotas. I urge you to ease the cost and compliance burden of these policies so that we can continue together in our shared goal pursuing energy dominance and economic prosperity.

Thank you in advance for your consideration.

Sincerely,

Jack Gerard
President and CEO
American Petroleum Institute

Attachment: 2017 Imports of Steel by the Oil and Natural Gas Industry

CC:
Bob Lighthizer, USTR, US Ambassador
Wilbur Ross, Secretary, Department of Commerce
2017 IMPORTS OF STEEL USED BY THE OIL AND NATURAL GAS INDUSTRY*

9.15 MILLION METRIC TONS

*An approximation developed from voluntary company information