



**Testimony of Donald Banker
President and Chief Executive Officer, Banker Steel
May 15, 2018**

- Good afternoon Ambassador Lighthizer and Members of the Section 301 Committee. My name is Donald Banker and I am the founder, President and Chief Executive Officer of Banker Steel, headquartered in Lynchburg, Virginia.
- Let me begin by applauding the Administration's continued focus on ending longstanding -- and inherently unfair -- trade practices by China. These practices have harmed -- and continue to harm -- businesses like Banker Steel.
- We manufacture and erect fabricated structural steel for the east coast commercial construction market.
- **As one of the largest domestic fabricators in the United States, Banker's 550 workers across Florida, Virginia, New York and New Jersey have left an indelible imprint on our nation.**
- **It is Banker Steel that serves as the foundation of the Freedom Tower in New York City.** The very first beams of structural steel installed at Ground Zero -- as we recovered as a nation and rebuilt that hallowed site -- were fabricated at our facility in Virginia.
- **Our steel is also the backbone of Washington Nationals Baseball Park --- just a few miles from where we gather today** -- as well as the Gaylord Hotel & Convention Center and MGM National Harbor in Maryland. We're helping to rebuild Orlando International Airport and build *One Vanderbilt*, an extraordinary new building adjacent to Grand Central Station that will forever mark the New York City skyline.
- I share this with you because projects *just like these* -- built with steel fabricated here in the United States -- by our skilled workers -- are at grave risk today.
- **To that end, Banker Steel respectfully requests that USTR add several Chinese structural steel products that are classified under Harmonized Tariff Schedule ("HTS") to the list of products subject to the proposed additional 25 percent duty.**

- Structural steel fabricators are the intermediaries in the supply chain. We sit **between** the mill-level steel producers and the buildings, bridges, and infrastructure projects that underpin our communities -- and drive our economy.
 - **This hearing is a continued signal from this Administration that our nation's policies can – and must – finally be changed to address these unfair practices.**
 - The President's decision to impose tariffs under Sec. 232 of the Trade Expansion Act, which protects our steel mills, is one we strongly support.
 - And now, we need to do even more. **We need to defend our domestic steel fabricators, as well.**
 - The types of projects I mentioned are at risk for a simple reason: *Imports of fabricated steel from China have surged in recent years.* This surge is believed to represent **nearly 40% of all fabricated structural steel imported into the United States.**
 - **To be clear, this data likely underreports China's actual share of the U.S. market.**
 - For example, we believe that material amounts of Chinese-origin steel are shipped to third countries for processing into building components. They are then imported into the United States under NAFTA – with no tariff.
 - Action is needed: Tariffs on Chinese mill-produced steel can be evaded **without complementary duties on the downstream fabricated products, as well.**
 - Imports of Chinese mill-produced steel are potentially subject to anti-dumping and countervailing duties, Section 232 duties, and now also Section 301 duties. **Yet that same Chinese mill-produced steel can enter the U.S. duty-free --- if it is also fabricated in China – or NAFTA countries.**
 - This creates a perverse incentive for project owners to outsource both the mill material **and the fabrication of that steel.** We need to change that.
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- This threat is particularly relevant in the context of Section 301.
 - Structural steel is the backbone of our nation's infrastructure system, including buildings, bridges, power, water, and other public projects. The designs and security features of these complex structural steel projects are developed using sophisticated computer modeling technology.

- **This technology, as the USTR has noted, can be exploited by the Government of China. That allows China to compromise the security of our own critical infrastructure.**
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- The U.S. construction market has become a rich target for foreign steel interests, including China. That interest has expanded from exporting mill steel, to exporting fabricated steel.
- Without action by USTR to add the fabricated-steel-product HTS numbers to the list of covered products --- under both Sec. 232 and Sec. 301 --- this trend will continue.
- Chinese producers will evade the intent of our trade rules as they seek to avoid the effect of tariffs on mill-steel products.
- We thank this Committee for its work – and appreciate the opportunity to share our views today.