BEFORE THE UNITED STATES DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION

COMMENTS OF NUCOR CORPORATION IN RESPONSE TO THE DEPARTMENT'S REQUEST FOR PUBLIC COMMENTS ON UNFAIR TRADE PRACTICES

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I. INTRODUCTION

On May 27, 2004, the Department of Commerce requested public comment in order to identify the unfair trade practices that should be of greatest concern to the newly established Unfair Trade Practices Task Force.[1] The work of the Task Force is of the utmost importance, targeting barriers to free trade that have contributed to the loss of nearly three million U.S. manufacturing jobs, the continued and dangerous growth of the U.S. trade deficit, and the permanent "off-shoring" of U.S. companies and industries.

While the Administration has aggressively pursued the negotiation of free trade agreements with a variety of countries, we believe there has been less emphasis on U.S. enforcement of existing trade commitments. The United States Government is well aware of the major existing trade barriers. Indeed, they have been extensively documented by the Office of the U.S. Trade Representative, the Department of Commerce, and numerous other agencies. The United States government must act aggressively to put a stop to these unfair trade practices.

The most important action in this regard is the strengthening of U.S. trade remedy laws in order to prevent the loss of further manufacturing jobs and to fight against the ever expanding trade deficit. In this regard, Nucor provides several examples of legislation that would strengthen U.S. trade laws and assist with the elimination of foreign trade barriers.

China, and its numerous unfair trade practices, must naturally be a high priority for the Task Force. China has long maintained a fixed exchange rate with the U.S. dollar, which has allowed it to export its products at cheap prices. The governmentally-mandated artificially low exchange rate directly harms U.S. manufacturers who are competing against the resulting cheaply priced Chinese exports in markets around the globe. Similarly, China's troubled, government-

1 *Request for public comment—Unfair Trade Practices Task Force*, 69 Fed. Reg. 30,285 (May 27, 2004).

controlled banking system, and its questionable loans to preferred businesses, must be of high concern to the Task Force. China must also be made to honor the commitments to which it voluntarily agreed as part of its accession to the WTO.

China is not the only important priority for the Task Force. The U.S. steel manufacturing industry has been forced to compete against surprisingly well-known cartel-like arrangements between the EU, Japan, Korea and other steel producing nations. These anticompetitive agreements include informal arrangements not to compete in one another's markets, as well as vertical distribution networks which prevent entry of U.S. manufactured items. These anticompetitive practices must be of great concern for the initial work of the Unfair Trade Practices Task Force.

Russia also poses unique challenges to U.S. manufacturers. Although this country is attempting to gain the rights and privileges of a World Trade Organization member, at the same time it subsidizes Russian producers in the form of low energy and rail rates. The government's control of energy prices, especially as witnessed as to extremely cheap natural gas, results in a significant market distortion and an unfair trade practice that harms competing U.S. industries.

Lastly, the Task Force should focus on market distorting export taxes, existing subsidies and quotas, and the use of national technical standards as non-tariff barriers, as it begins its important work.

The Unfair Trade Practices Task Force will be a failure if it only serves to re-document the existing trade barriers. The time for further analysis and study is over. Immediate action by the United States Government is needed to preserve America's manufacturing base.

II. U.S. TRADE REMEDY LAWS MUST BE STRENGTHENED

The United States continues to be vulnerable to illegal actions by our foreign trading competitors as a result of loopholes in our nation's trade laws that encourage import surges, repetitive dumping, duty absorption, country switching, and other forms of evasion and circumvention. The Task Force should support pending legislation to fix these flaws and ensure the trade laws are effective in attacking unfair trade practices. Specifically, the Task Force should support passage of the following legislation:

HR 2092/S. 136, "The Expedited Remedy for Persistent Dumping Act of 2003," would amend current law to provide an expedited dumping investigation by Commerce if a product is already covered by an order and imports increase from new, noncovered countries. Current law already recognizes that there are circumstances in which dumping persists despite the presence of an order, and authorizes Commerce to take expeditious action. However, in practice Commerce has not exercised this existing authority. Many industries, including steel, have suffered continuing injury from repetitive dumping and "country switching." Under the proposed legislation, the U.S. industry could request that Commerce initiate an expedited investigation if imports increase materially from non-covered countries after a dumping order is imposed. Petitioners would still be required to prove all WTO-required elements of dumping and injury, but the process would be expedited and streamlined.

Additionally, the bill would prevent duty circumvention by deducting duties from U.S. price in the dumping calculation, bringing U.S. law in line with the practices of Europe and some other major trading partners. This practice would prevent duty absorption and ensure the remedial effect of the law is realized. The bill has broad bipartisan support.

S. 2212/HR 3716, "Stopping Overseas Subsidies Act," would clarify that the U.S. countervailing duty law applies to both market and nonmarket economy countries. The countervailing duty law is an important tool for attacking illegal foreign trade practices by foreign governments. Yet, due to an outdated administrative interpretation by the Commerce Department in the 1980's, the law has not been applied to nonmarket economy countries such as China, thereby protecting those countries that subsidize the most heavily and which cause the most injury to US manufacturers. The government of China, for example, has encouraged and indeed caused the creation of serious overcapacity in the Chinese steel industry through a number of direct and indirect measures that constitute subsidies by any reasonable definition. Under the current interpretation of the countervailing duty law by the Commerce Department, however, China can export steel products that have benefited from these subsidies without any fear of action by the United States. China and other nonmarket economy countries should not be given immunity from the subsidy law. If they want to be part of the world trading system, they must be subject to the same rules as other countries. The Task Force should endorse the pending legislation, which has broad bipartisan support, and has also been endorsed by the National Association of Manufacturers.

Steel Import Licensing and Monitoring: The Task Force should ensure that Commerce and Customs implement the President's commitment to establish an expanded steel import licensing and monitoring program: "To keep the positive momentum going, we will continue our steel import licensing and monitoring program so that my Administration can quickly respond to future import surges that could unfairly damage the industry."[2] This is also

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[2] President's Statement on Steel, December 4, 2003, The White House, paragraph 3.

contained in legislation sponsored by Rep. English, HR 4730, but can be implemented administratively without further delay.

HR 2365, "The Trade Law Reform Act of 2003," would reform and strengthen U.S. safeguard, dumping, and countervailing duty laws to provide more effective, WTO-consistent remedies for U.S. workers, farmers and businesses against unfairly traded imports and damaging import surges.

III. THE TASK FORCE SHOULD ENSURE THAT THE NEW SHIPPER REVIEW PROCESS IS NOT USED TO EVADE LEGITIMATE ANTIDUMPING ORDERS

One way in which the United States can strengthen its unfair trade laws is in regard to new shipper reviews. An increasing number of companies are using the "new shipper" procedure in antidumping proceedings to abuse the process. This occurs, for example, when a company that is engaging in dumping forms a subsidiary, which then requests a "new shipper" review in order to obtain a separate, lower antidumping margin. The new shipper can export, posting a bond or other security while the inquiry takes place. This creates an opportunity for the original dumping company to ship through its new subsidiary at a much lower dumping margin. In fact, the Commerce Department has found that exporters designated as a new shipper have often become conduits for exports from producers not involved in the new shipper review. The United States has tabled a World Trade Organization paper on the subject for discussion in the WTO Negotiating Group on Rules.[3] The Commerce Department has also begun steps to strengthen the review of alleged new shippers, in order to deter fraudulent evasion of dumping margins. The Task Force should continue to urge progress on these and other improvements to antidumping law.

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[3] "New Shipper Reviews (ADA Article 9.5)," Communication from the United States, JOB (04)/60, 25 May 2004 (submitted for the informal session of the Rules Negotiating Group).

IV. CHINA MUST ABANDON ITS FIXED EXCHANGE RATE

China's use of a fixed exchange rate amounts to a significant barrier to U.S. exports in third markets around the globe. The Chinese currency, the RMB, is not freely convertible. The exchange rate between the RMB and other currencies, including the U.S. dollar, is managed by the Chinese government, rather than being set by the market. "For nearly ten years now, the Chinese have maintained a fixed exchange rate for their currency, the yuan, relative to the dollar. The rate has been pegged at about 8.28 yuan/dollar for the entire period."[4] Moreover, it was been estimated that China has intentionally undervalued its currency by as much as 40 percent. The continuing practice of pegging the RMB to the dollar, in essence an artificially low exchange rate set by the Government of China rather than market forces, leads to lower U.S. exports and cheaper Chinese imports throughout the world.

The Chinese government has stated that it intends to move, in a deliberate manner, towards the full convertibility of the RMB on market terms. The Task Force should support the inter-agency efforts to encourage a substantial revaluation and convertibility of the RMB. If China fails to do so, the United States Government should consider steps to force such an action, including negotiations under Section 301 of the Trade Act of 1974.

V. CHINA MUST IMMEDIATELY TAKE STEPS TO CORRECT ITS STRUCTURALLY FLAWED BANKING SYSTEM AND POLITICALLY INFLUENCED LENDING PRACTICES

Structural flaws in the Chinese banking system result in unfair trade practices to the detriment of U.S. manufacturers. The banking industry in China remains overwhelmingly state-owned. While the banks ostensibly operate on an independent, commercial basis, the fact

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4 *China Exchange Rate Regime and its Effects on the U.S. Economy: Hearing Before the Subcomm. on Domestic and International Monetary Policy, Trade, and Technology*, 108th Cong. (2003) (testimony of John B. Taylor, Under Secretary of Treasury for International Affairs), *available at* http://www.ustreas.gov/press/releases/js774.htm.

remains that the Chinese government allocates credit through its ownership and control of the main banks.

In the past the Chinese government has encouraged banks to make massive loans to the large State Owned Enterprises ("SOEs"). There is evidence that banks do not always require repayment of loans, especially to SOEs, so that bank loans are in effect converted into government grants. Significantly, the four largest state-owned banks have approximately $400 billion in "bad" loans outstanding, largely to SOEs.[5] Estimates of the total amount of bad debt in China's financial system range from 45 to 75 percent of the country's annual gross domestic product![6] Loan forgiveness is of course a subsidy to any industry receiving the benefit. However, China is currently not subject to U.S. countervailing duty laws, since it is considered a non-market economy by the Commerce Department. The Chinese government has announced that it intends to sell shares in some of the state-owned banks, although not necessarily to privatize them completely.[7]

China also appears to lack certain key components of a commercial banking system. For example, there is no national system for credit analysis and reporting. It is similarly unclear what the rights of creditors are, including the ability to declare bankruptcy.[8]

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5 *China to Hand Out Another $52bn to Bad-Loan Banks to Pave Way for Floats*, Sydney Morning Herald, Jan. 12, 2004, *available at* http://www.smh.com.au/articles/2004/01/11/1073769451172.html?from=storyrhs&oneclick=true.

6 Jennifer Chang, *China Country Commercial Guide FY 2004: A Guide to Doing Business in China & Information on Current Economic Conditions*, U.S. & Foreign Commercial Service and U.S. Department of State (July 15, 2003) at Section 7.I, *available at* http://strategis.gc.ca/epic/internet/inimr-ri.nsf/en/gr117828e.html ("China Country Commercial Guide FY 2004").

7 Keith Bradsher, *China Announces $45 Billion Bailout of 2 State-Owned Banks*, N.Y. Times, Jan. 6, 2004.

8 *See* Bank for International Settlement, *Options for China's Financial System, in Policy Papers No. 7 - Strengthening the Banking System in China: Issues and Experience* (Mar. 1999), *available at* http://www.bis.org/publ/plcy07v.pdf.

The Unfair Trade Practices Task Force should request information regarding the Chinese government's plans for privatization of the banking sector, and the extent of ownership and supervision the Chinese government intends to maintain. The Task Force should determine how to address subsidies such as massive loan forgiveness and the effect of such subsidies on China's manufacturing industries, as well as the U.S. manufacturing industries with which they compete. Finally, the necessary changes should be made to U.S. law to permit countervailing duty cases to be prosecuted against non-market economy countries.

VI. CHINA MUST IMPLEMENT ITS EXISTING WTO COMMITMENTS

The Task Force should recognize and take action regarding China's failure to live up to obligations it willing undertook as part of its accession to the WTO. As one example, under its WTO commitment, China agreed not to condition investment or import approvals on technology transfer or requirements to conduct research and development in China.[9] However, it is widely suspected that the Chinese government "unofficially" imposes such conditions at both the national and the regional level. *Id.*

China has agreed, as a WTO member, to publish for comment laws and regulations that could affect trade in goods, services, TRIPS or the control of foreign exchange.[10] However, a significant lack of transparency remains. "Many new regulations and rules have been promulgated without adequate comment periods. Chinese ministries often implement policies based on internal 'guidance' or 'opinions' that are often not available to foreign firms."[11] The Government of China tightly controls access to its policies and draft regulations providing

[9] *See e.g.,* Report to Congress of the U.S. –China Security Review Commission – The National Security Implications of the Economic Relationship between the United States and China (July 2002) at Chapter 3 ("Report to Congress of the U.S.-China Security Review Commission").

[10] China Country Commercial Guide FY 2004 at Section 7.H.

[11] *Id.* at Section 6.B.

information to Chinese companies but not to foreign-owned businesses.[12] "The rule-making process remains secretive and opaque."[13] All of these actions are contrary to China's existing WTO commitments.

Indeed, China has not fulfilled one of its major commitments, namely its obligation to notify information regarding its subsidy programs to the WTO.[14] The United States Government must take all actions necessary to ensure that China complies with all obligations that it willingly undertook as part of its accession to the WTO.

VII. ANTICOMPETITIVE AGREEMENTS AMONG THE EU, JAPAN, AND OTHER NATIONS MUST BE TERMINATED

Anti-competitive behavior, including discriminatory vertical integration, in the major steel producing countries should be of great concern to the Unfair Trade Practices Task Force. Specifically, Japanese, EU, Korean, and Brazilian steel producers have engaged in cartel like behavior which amount to significant barriers to U.S. manufacturers.

The Department has previously recognized the existence of informal agreements between foreign steel producers, including in Europe and Japan, to limit access to one another's markets. These practices would amount to antitrust violations under U.S. law and are some of the most offensive unfair trade practices that currently exist. Japan has entered into agreements with European, as well as Korean, producers to not compete in each other's markets in efforts to minimize competition and maximize prices. As the Department has previously found, the "best known of these alleged arrangements is the 'East of Burma' Agreement, between Japanese and

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12 *Id.*

13 *Id.*

14 United States Trade Representative, *2003 Report to Congress on China's WTO Compliance* (Dec. 11, 2003) at 34.

European mills."[15] The Department's Report cites one European Commission finding regarding cartel activity where "British, French, German, Italian and Japanese manufacturers conspired to refrain from selling in each others' national markets."[16] The apparent coordination among Japanese producers allows these companies to earn high prices in their home market and to export market distorting low price steel around the globe.[17]

The anticompetitive behavior are also witnessed in the vertical integration of foreign producers and their distribution networks. The captive nature of these distributors is also a major barrier to the export of U.S. steel to Brazil, Japan, and the EU.[18] In essence, these distribution networks are controlled by the foreign steel producers, direct competitors of U.S. steel manufacturers, and who provide barriers to the entrance of American steel into the foreign markets. As the Department's Global Steel Report noted "one of the main barriers preventing [steel] imports from entering Japan is the distribution system which is tightly controlled by the trading companies."[19] The integrated producers, in turn, have control over the trading companies. Thus, the "big steelmakers use the implicit threat of cutting supplies to any major trading houses that attempt to import steel directly."[20]

The Task Force should recommend action to immediately address these violations of international law.

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15 U.S. Department of Commerce, *Report to the President on Global Steel Trade: Structural Problems and Future Solutions, International Trade Administration* (July 2000) at 77 ("Global Steel Report").

16 *Id.* at 77.

17 *Id.* at 125.

18 *See e.g., id.* at 103.

19 *Id* at 76.

20 *Id.*

VIII. ARTIFICIALLY LOW RUSSIAN ENERGY PRICES AND RAIL RATES MUST BE REMEDIED

Russia's control of energy prices and rail rates amount to unfair trade practices that the Task Force should address. The pricing of fundamental Russian commodities is not market driven. The Russian government continues to exercise price controls on critically important sectors of its manufacturing economy, including energy and public transportation. Russia holds the world's largest natural gas reserves, and is the world's largest exporter of natural gas. Natural gas accounts for approximately 54% of Russia's energy consumption, yet it is still sold at *less than the cost of production.*[21] Gazprom, which controls over 90 percent of the nation's natural gas, currently is forced by the Russian government to sell gas to domestic users for $12–14 per thousand cubic meters, less than it costs to produce, while the export price is $130-$150 per thousand cubic meters.[22]

As cited in the Department's Global Steel Trade Report, "{t}he Russian economy remains a hyper-industrialized system composed of enterprises *that would not be viable in a market economy*[23], supported by transfers from energy and raw materials sectors."[24] Even President Putin has remarked that "electricity prices in Russia are three to five times cheaper than world prices."[25] Indeed, the Department recognized that Russian energy producers do not operate on profit motives:

> A financial analysis of the regional electric suppliers in Russia indicates that profitability has not been the primary concern; instead, the sector was 'increasingly used as [a] source of subsidies to inefficient industries' whose role 'remains that of supporting the

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21 *Russia Country Analysis Brief*, Energy Information Administration, available at www.eia.doe.gov/emeu/cabs/russia2.html.

22 *Id.*

23 Global Steel Report at 49 (emphasis added).

24 *Id.*

25 *Id.*

> federal government's industrial and anti-inflationary policy rather than maximizing its own earnings and asset values.'"[26]

Price regulation in Russia exists for gas, electricity, and heat energy; transshipment of oil through pipelines; railroad services; and port services.[27] The Department's Report noted that certain companies, including steel producers, have received special rail rates in order to enable them to cut their costs.[28] "Moreover, it has been report rates that special rates are in place for certain steel exports."[29] As the Department also recognized, "due to the poor location of many of the Russian steel producers, such as Magnitogorsk, low freight rates are vital if many Russian steel companies are to be competitive in world markets."[30]

Consequently, the United States Government must negotiate the elimination of these subsidies as a prerequisite of WTO accession and ensure the strength of U.S. CVD laws in the Doha Round.

IX. EXCESSIVE EXPORT TAXES SHOULD BE TREATED AS PROHIBITED DOMESTIC SUBSIDIES

The United States has had significant successes in negotiating lower tariffs on the importation of manufactured goods. Equal vigor should be expended on negotiating lower export tariffs that result in market distortions. As one example, numerous foreign countries currently have in place high export taxes for their scrap metal. This results in depressed scrap prices in their home market and restricts the free flow of scrap steel among all nations. As USTR's 2004 Report on Trade Barriers noted:

> Ukraine imposed an export duty of 30 euros per metric ton on ferrous steel scrap during the second quarter of 2002. This export

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26 *Id*. (citations omitted).
27 *Id*.
28 *Id*.
29 *Id*.
30 *Id*.

> duty has contributed to a decline in scrap export from Ukraine, at a time when global demand and prices for steel scrap are rising. The export tax provides an artificial advantage to Ukrainian steel producers by increasing domestic steel scrap supply, providing producers with an unfair advantage in Ukraine and in third markets. Moreover, it constricts global supplies of a key steel input, which has the effect of raising prices of steel scrap for otherwise competitive producers elsewhere, including those in the United States.[31]

These market distorting export taxes on scrap are not limited to the Ukraine but are also used by several other nations including Korea, Taiwan, Egypt, Mongolia and Russia.[32] These market distorting export taxes must be eliminated as part of Russia's and Ukraine's WTO accessions, and if necessary the U.S. should not hesitate to restrict its own scrap exports.

X. ALL SUBSIDIES TO THE STEEL INDUSTRY MUST BE PROHIBITED

The global steel industry has been distorted for decades as a result of government subsidies. The WTO Agreement has disciplined this practice and prohibited most subsidies with some very small exceptions (such as for certain research and development and environmental protection measures). However, certain recent announcements by the EU raise the specter of a return to government interference in the industry under the guise of environmental programs. Governments should not be allowed to exploit any potential loopholes in the Subsidies Agreement in order to provide trade-distorting support to domestic steel industries.

XI. THE EU QUOTA ON STEEL PRODUCTS MUST BE ENDED

Trade in steel suffers from market distortion due to an array of side agreements and special arrangements among major steel producing and consuming nations. These agreements

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[31] United States Trade Representative, *2004 National Trade Estimate Report on Foreign Trade Barriers* (Apr. 1, 2004) at 480 ("USTR 2004 Report on Foreign Trade Barriers").

[32] *See* e.g., Song Eui-dal, *Gov't to Impose Export Restrictions on Scrap Iron, Steel Bars*, The Chosun Ilbo (Mar. 3, 2004), *available at* http://english.chosun.com/w21data/html/news/200403/200403030010.html; *See also* USTR 2004 Report on Foreign Trade Barriers at 416-7.

serve as barriers, and even when they are not prohibited by international law, they can result in unfair redirection of excess steel capacity to the United States. One example is the European Union's steel quotas with respect to Russia, Ukraine, and Kazakhstan. In recent negotiations, the EU agreed to raise the quota limit with Russia by about 400,000 tons to make up for the expansion of the EU from 15 to 25 member nations. Even so, Russia's current steel export quota is only about 1.6 million tons for the entire EU. Russia (and the Ukraine and Kazakhstan) must then redirect excess steel capacity to locations other than these 25 countries. In many instances, the United States bears the brunt of such restrictions, while EU steelmakers enjoy a market protected from this excess capacity. The United States' comprehensive steel agreement with Russia will expire July 12, eliminating quota limitations on a long list of semifinished, flat, and long steel products. In order to create a level playing field, all quotas should be similarly eliminated.

XII. THE USE OF NATIONAL TECHNICAL STANDARDS AS BARRIERS TO INTERNATIONAL TRADE MUST BE ENDED

The use of country-specific product standards represents significant barriers to U.S. exports. The Department has previously recognized that the adoption of U.S. technical standards for goods in world markets would result in expanded access for U.S. manufacturers.[33] The use of U.S. standards will reduce the ability of foreign governments to use technical specifications as barriers to American exports.[34] As one example, Japanese Industrial Standard (JIS) certifications are national standards for industrial and mineral products. U.S. steel producers have found that the Japanese approval process is lengthy, frustrating, and serves as an impediment to imports.[35]

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[33] U.S. Department of Commerce, *Manufacturing in America: A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers* (Jan. 2004) at 79 ("Manufacturing in America").

[34] *Id*.

[35] Global Steel Report at 77.

National standards, testing, labeling, and certification requirements also indirectly injure the U.S. steel industry by discouraging U.S. exports of steel-containing products. In the 2004 National Trade Estimate Report on Foreign Trade Barriers, for example, the United States Trade Representative stated:

> With the decline of traditional transatlantic trade barriers, EU regulatory measures are increasingly viewed as impediments for U.S. exporters of manufactured and agricultural products. Compliance with unnecessarily divergent technical regulations and standards for products sold in the United States and the EU imposes additional costs on U.S. exporters (e.g., duplicative testing, product redesign) and increases time required to bring a product to market. Such costs for U.S. exporters are compounded by inadequate transparency in the development of EU regulations and a lack of meaningful opportunity for non-EU stakeholders to provide input on draft EU regulations and standards.[36]

Such steel-intensive products as gas connector hoses and pressure equipment were specifically identified by the U.S. Trade Representative as being among the U.S. products whose exports have been hindered by EU standards.[37] Similarly, "The current Russian product certification regime makes it difficult to introduce products into the Russian market. Manufacturers of telecommunications equipment, construction materials and equipment, and oil and gas equipment have reported serious difficulties in obtaining product approvals."[38] In Japan, which is showing "a greater tendency to deviate from scientific principles in setting new import policies,"[39] the U.S. remains disappointed in market access for U.S. producers in a number of steel-intensive industries such as autos, auto parts, civil aviation, utilities, motorcycles, and others.[40] Thus, national standards adversely affect the U.S. steel industry directly and indirectly.

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36 USTR 2004 Report on Foreign Trade Barriers at 140.
37 *Id.* at 141.
38 *Id.* at 408.
39 *Id.* at 261.
40 *Id.* at 273-77.

Secretary Evans has already launched an initiative to promote a private-sector based approach to the adoption of global standards.[41] The Task Force should make this objective a high priority in its work.

XIII. THE TASK FORCE SHOULD ADDRESS WHETHER GLOBAL TAX RULES PENALIZE U.S. COMPANIES

The Task Force should consider and recommend action regarding the effects of global tax rules on U.S. manufacturers. Currently, nations with value added tax (VAT) regimes are permitted to provide a rebate of the VAT on exports, while imposing this tax on imports. On the other hand, the United States is prohibited from providing similar rebates of income taxes. The resulting disparity penalizes U.S. manufacturers, and should be corrected.

XIV. CONCLUSION

In conclusion, the new Task Force will be faced with a variety of challenges. China implements a fixed exchange rate and maintains a flawed banking system. Japan, the EU, and other steel producing nation's have entered into informal anticompetitive agreements. Russia is subsidizing its producers through unnaturally low energy prices and rail rates. These unfair trade practices, as well as high export taxes and the lack of international technical standards, must be high priorities as the Task Force begins its important work.

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[41] Manufacturing in America at 79.

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