



Trump's 'Buy American' flaw: Steel's devilish details

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The Trump administration's "Buy American" push sounds good but doesn't sufficiently account for market realities faced by steel mills such as one right here in Western Pennsylvania.

The NLMK USA mill in Farrell doesn't manage six-figure paychecks for many of its 560 employees by making steel from scratch, according to The Daily Signal. For cost-efficiency's sake, the mill imports steel slabs, which it rolls into coils.

An April executive order is among indications that President Trump will strictly enforce existing "Buy American" rules and laws — which promote steel "melted and poured" domestically — and apply them to his \$1 trillion infrastructure plan and perhaps to other federal spending. That has NLMK worried about having to buy less readily available, more expensive domestic slabs to compete for government contracts — and about customers, fearing that NLMK coils might not meet "Buy American" standards, holding off on purchases.

Favoring "melted and poured" giants such as U.S. Steel over smaller "re-rollers" such as NLMK could increase infrastructure projects' costs to taxpayers. Such policy, says Cato Institute trade policy expert Dan Ikenson, "is prescribing what your supply chain should be — to do it in a less efficient manner."

Mr. Trump's "Buy American" approach exposes a lack of understanding of market conditions and practical concerns — and threatens both America's globally connected economy and taxpayers' wallets.