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Kevin M. Dempsey
President and CEO

September 22, 2026

President Donald J. Trump
The White House
Washington, DC 20500

Dear President Trump:

As you prepare for your upcoming summit with Chinese President Xi Jinping, the American Iron and Steel Institute (AISI) urges you to press China to end its huge surge in exports of excess steel production to the world, as well as the massive subsidies to its steel industry that have fueled the global steel overcapacity crisis.

American steel producers, their employees and the communities they support know all-too-well the negative impact Chinese-fueled global excess capacity and production have had upon American steel production. However, because of your leadership in imposing the Section 232 steel tariffs, America's steel industry is recovering and increasing production. In fact, the U.S. surpassed Japan to become the world's third largest steelmaker last year. This growth will continue as American steelmakers are making new investments that create good-paying jobs and put the industry and our nation on the path to continued dominance.

Excess capacity in the global steel industry has been extensively documented by the Organization for Economic Cooperation and Development (OECD) and according to its latest analysis, global steel overcapacity is projected to surge to 745 million metric tons (MMT) by 2028. China is one of the leading sources of overcapacity in the steel sector, and its steelmaking capacity in 2025 represented almost half of total global capacity. In 2025, in the face of multiyear declines in Chinese domestic steel demand, Chinese steel exports accelerated to 131 million metric tons, roughly the equivalent of North America's combined steel consumption.

Until this overcapacity crisis is eliminated, the United States must maintain the Section 232 steel tariffs as well as Section 301 China tariffs. But we should not stop there. American manufacturers await the results of USTR's Section 301 excess capacity investigations and tariff recommendations. Steel imports continue to flood in from certain countries even in the face of the 50 percent steel tariffs because of the ongoing effects of the global overcapacity crisis. This illustrates why the Section 301 investigations were needed and why any tariffs resulting from these Section 301 overcapacity investigations must stack on top of the existing Section 232 and Section 301 tariffs. It is also essential that the United States urge other countries to follow your lead in taking strong action against Chinese-led overcapacity.

Beyond steel, China is creating a crisis in the automotive industry as Chinese steel overcapacity is being dumped on the world in the form of Chinese-made automobiles. The export of Chinese vehicles is leading to massive job losses throughout the automotive supply chain in many other parts of the world. If the United States does not learn from these developments in other nations, we can expect to experience similar catastrophic job losses as well. China has exported over 7 million cars already this year, and the rate of exports is only increasing as some experts believe that it will export as many as 12 million cars in 2026.

Chinese automobiles present serious, multifaceted threats to U.S. national and economic security. Modern connected cars feature 3D mapping, LiDAR and cameras that capture comprehensive data on U.S. infrastructure and military installations which can be sent directly back to Beijing. These vehicles can also be remotely hacked, tracked or otherwise remotely controlled, presenting additional threats. Just like in the steel industry, Chinese automakers receive significant state-backed funding, allowing them to undercut markets in order to decimate domestic production in export markets. Furthermore, permitting Chinese automakers to enter the U.S. market would create new avenues for tariff evasion and the introduction of additional subsidized inputs into the domestic supply chain.

The experience in these other markets is that China does not come in and build cars locally using the domestic supply chain and workers. Rather, Chinese companies fill production facilities with Chinese workers and source Chinese materials from China. Recent history for key manufacturing sectors has shown that any promises of a deal with the Chinese government in auto trade would be illusory and would result in U.S. job loss, deindustrialization and continued growth in Chinese dominance in the global auto market. U.S. policies should prioritize the strengthening of domestic manufacturing capacity, creating resilient domestic supply chains, preserving and growing American manufacturing jobs and ensuring the nation's ability to respond in times of crisis, rather than increasing dependency on adversaries.

AISI supports your continued efforts to put America First with thoughtful trade and industrial policies. The American steel industry believes you can do so by raising the matter of Chinese steel overcapacity with President Xi and continuing to hold a hard line against allowing either Chinese automobiles or Chinese automotive technologies into the United States.

Sincerely,

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