



**KEEP IT**  
**MADE IN**  
**AMERICA**

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[@youvebeendozed](#)

ALLIANCE FOR  
american  
manufacturing

# About AAM

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Partnership formed in 2007 by some of America's leading manufacturing companies and America's largest industrial union – the United Steelworkers.



Work in a cooperative, nonpartisan way for one goal: strengthening American manufacturing and therefore our nation's economic and national security.



Mission is to provide policymakers with useful analysis of the issues, as well as innovative policy ideas to move us toward effective solutions.



Save Our  
Steel Jobs

KEEP IT  
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Steel  
STEEL

Our  
Jobs

Jobs

KEEP  
MADE  
AMERICA

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# THINK ABOUT TRADE POLICY



# Recycling is Easy



According to recycling industry data, in 2012, 135 million metric tons of scrap metal, paper, plastic, glass, textiles, rubber, and electronics, valued at more than \$90 billion, were manufactured into specification grade commodities in the U.S.

# Specification Grade Commodities



# E-Waste: Effluent of the Affluent



*“A disproportionate burden of toxic waste, dangerous products and polluting technologies are currently being exported from rich industrialized countries to poorer developing countries.”*

-- Basel Action Network; [www.ban.org](http://www.ban.org)



# THE HUMAN IMPACT

[www.E-Stewards.org](http://www.E-Stewards.org)



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# Our # 1 Export.....



And coming in at # 2.....



# American Recycling Titan?

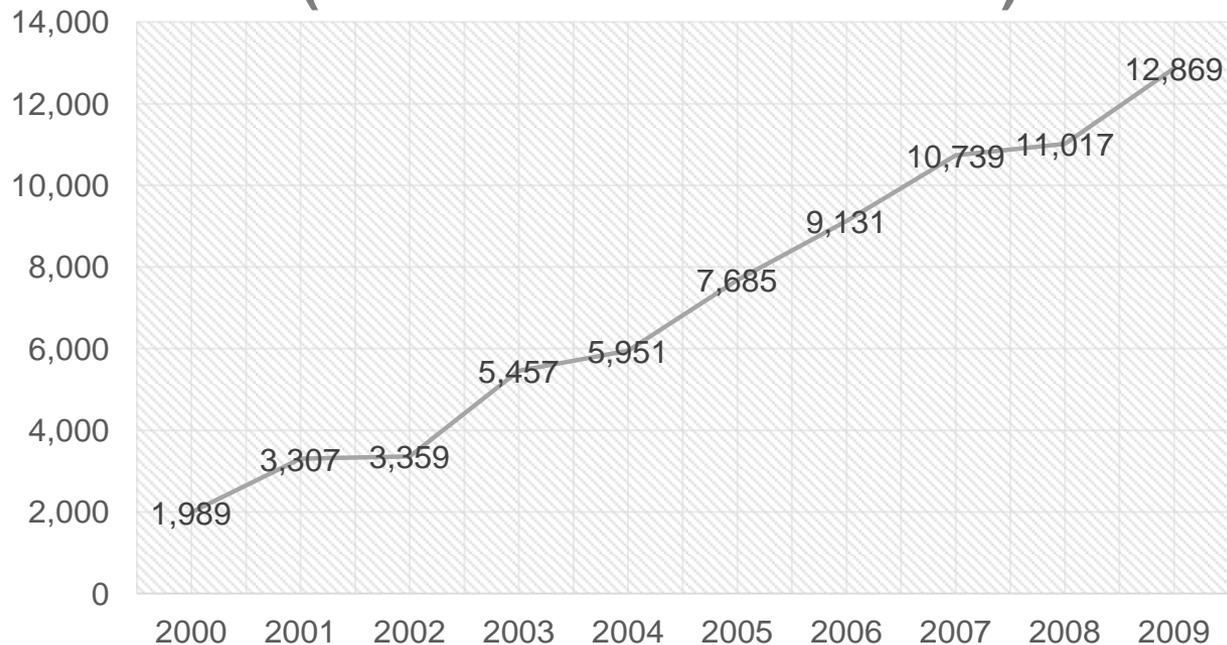


- ▶ The world's biggest exporter of recovered paper to China is America Chung Nam.
  - ▶ *America Chung Nam, 'The Number One paper player in China.'*

# Uncontrolled waste paper exports create scarcity and pricing pressure.

- ▶ Waste paper is America's top export to China by volume.
- ▶ 41% of U.S. recovered waste paper is exported, of which 65% goes to China.

## U.S. Waste Paper Exports to China (thousands of metric tons)

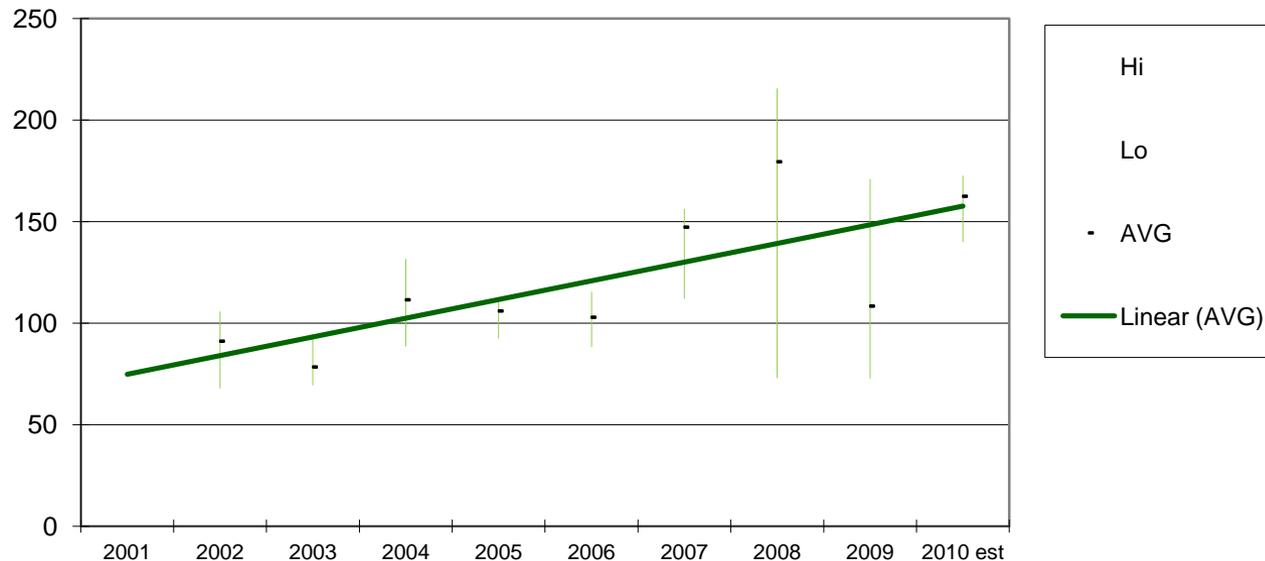


*Chart compiled using data from the U.S. Department of Commerce and the U.S. International Trade Commission.*

# Waste paper prices are growing unsustainably.

- ▶ 116% price increase for our dominant waste paper source: old magazine (OMG) paper
- ▶ High volatility based on Chinese waste paper demand

**FutureMark Average Price Paid for OMG  
(per ton)**



Compiled from  
Futuremark data

# Why should you care if America's recycled paper mills go under?

1. **Loss of “green collar” American manufacturing jobs**
2. **Loss of recycled paper production capacity – an environmentally preferable way to make paper**
3. **Sacrifices American forests and natural resources to enable foreign producers the environmental and market benefits of making recycled paper**
4. **Discourages domestic investment in expanding recycled capacity. No new capacity = no growth**
5. **Reduced incentives for recycling technology innovation**
6. **Erodes viability of entire U.S. paper industry if recycled paper customers are driven to foreign suppliers**
7. **Risk losing an important beachhead in America's green economy**

# The Carbon Impact

- Average Chinese recycle mill (Coated Paper)  
2,478 Kg of CO2 Emissions per Finished  
Metric Ton
- New Page Corporation (Coated Paper)  
1,432 Kg of CO2 Emissions per Finished  
Metric Ton  
42 % Lower
- Transportation & Fuel Sources

# New Page: Recyclers



# Baimei Paper: Recyclers?



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# What's in YOUR solar panel?



# Where

- China, supplies 97 percent of the world's rare earth minerals
- Mines in Baotou, Inner Mongolia hold 80 percent of China's rare earths
- Criminals smuggled 20,000 tons of rare earths from China in 2008 –one third of total exports that year.

# How



# Who



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# Why It Works



“With government support, cheap labor, and lax or nonexistent environmental regulations, [China’s] rare earth industries undercut all competitors.

-- National Geographic, *The Secret Ingredients of Everything*, June 2011

# Green Mining



Molycorp Mountain Pass mine - 3,000 to 5,000 tons of rare earths in 2011.

Current U.S. demand is between 15,000 and 18,000 tons per year.

Mountain Pass could make the United States independent in rare earths.

-- National Geographic, *The Secret Ingredients of Everything*, June 2011

# Mountain Pass Mine, California, USA

## Closed August 2015





26 tons of steel go into a wind turbine

# Ironmaking:

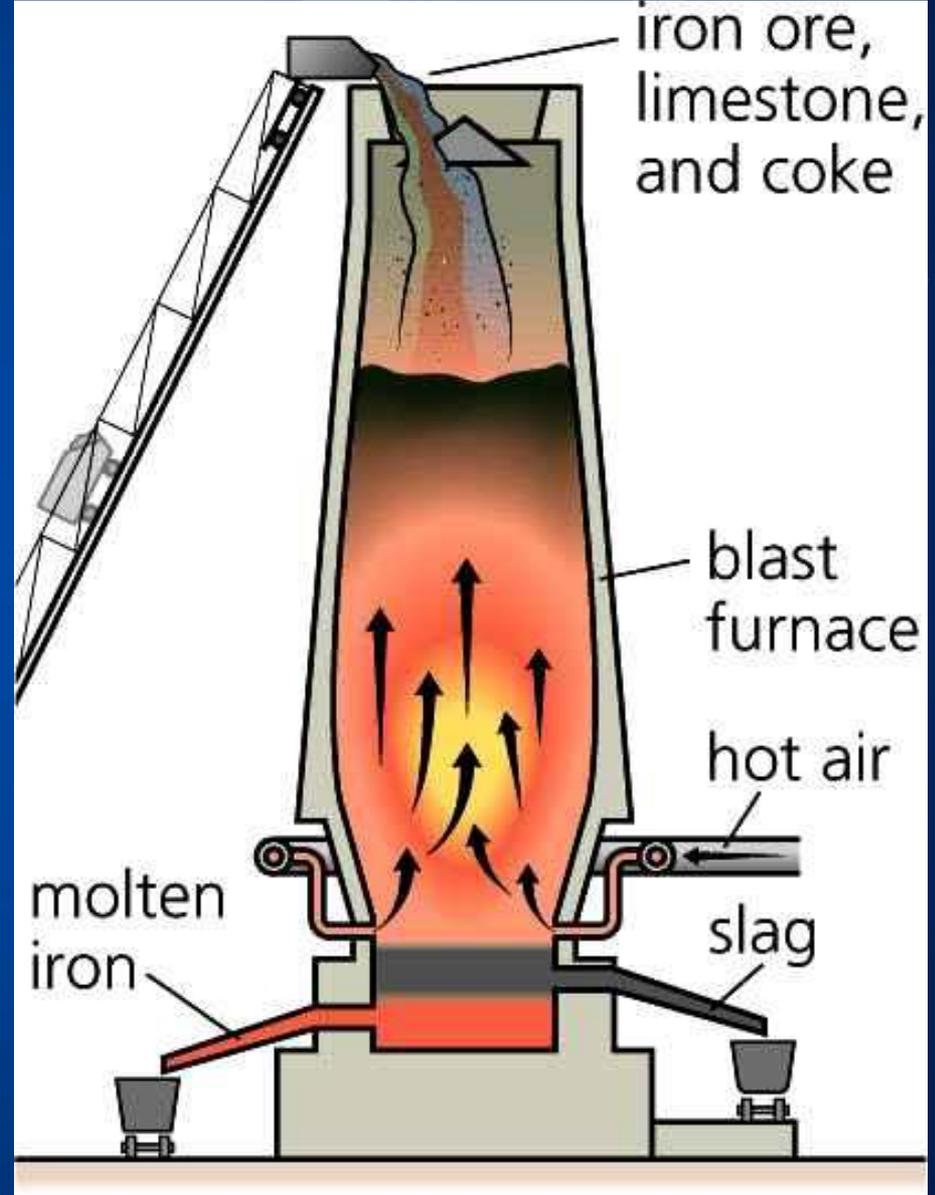
Minorca Mine  
(Iron ore/Fluxed Pullets)

Limestone

Coke

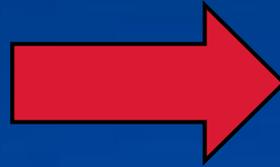
Material Handling  
Residuals

Sinter Plant



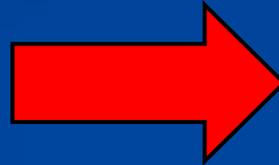
# Ironmaking: Effects on Economy

**Bituminous Coal and Lignite Surface Mining**



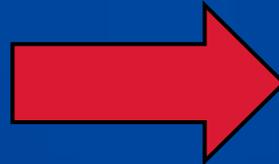
**37,766 Employees**  
**\$2.3 Billion in Payroll**

**Bituminous Coal and Underground Mining**



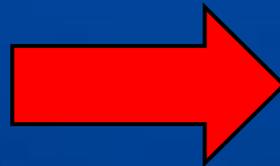
**39,211 Employees**  
**\$2.4 Billion in Payroll**

**Anthracite mining**



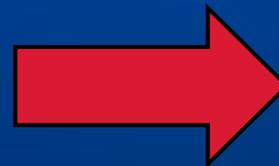
**458 Employees**  
**\$20 Million in Payroll**

**Iron Ore Mining**



**4,986 Employees**  
**\$381 Million in Payroll**

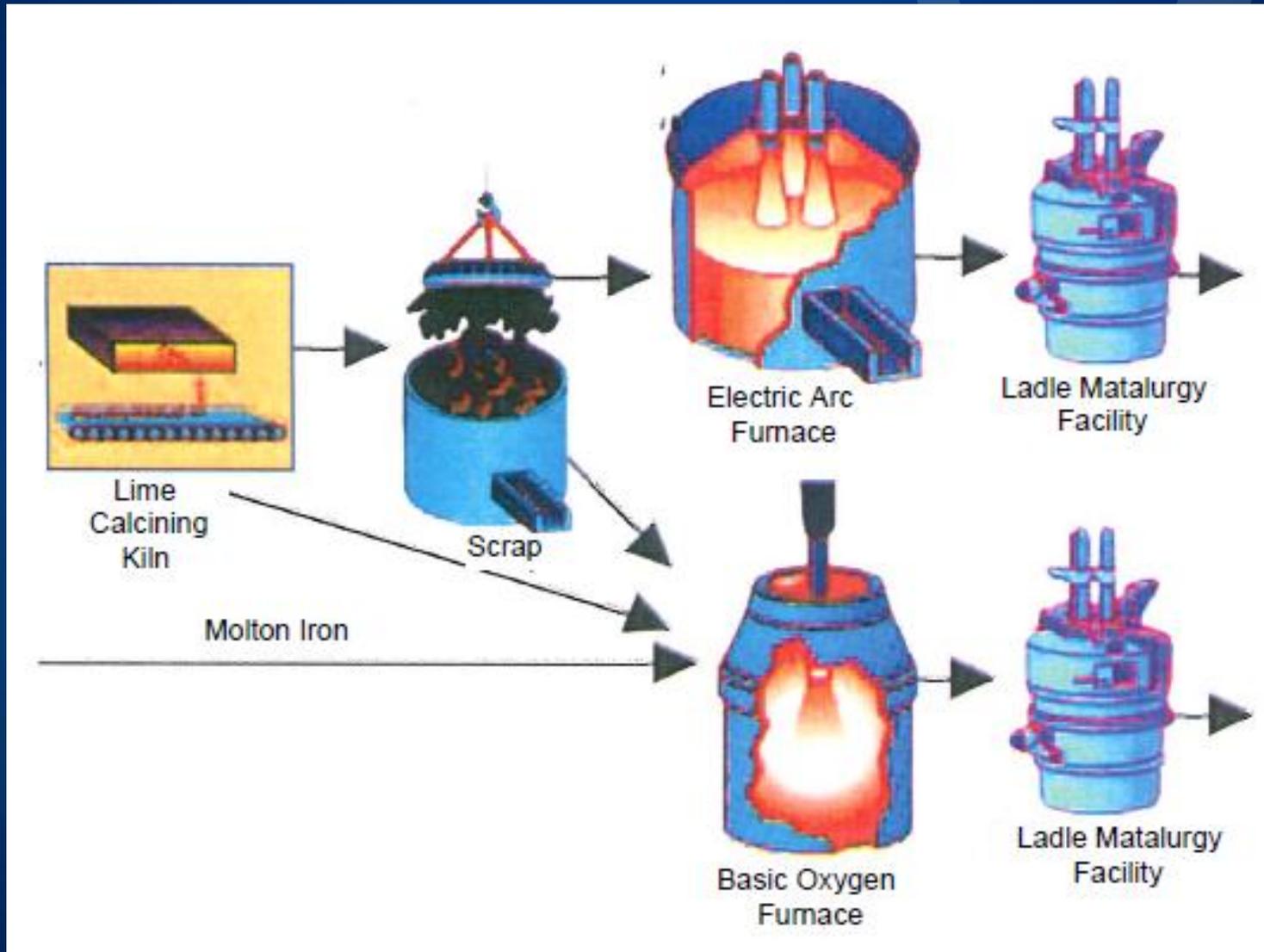
**Lime Manufacturing**



**4,373 Employees**  
**\$256 Million in Payroll**

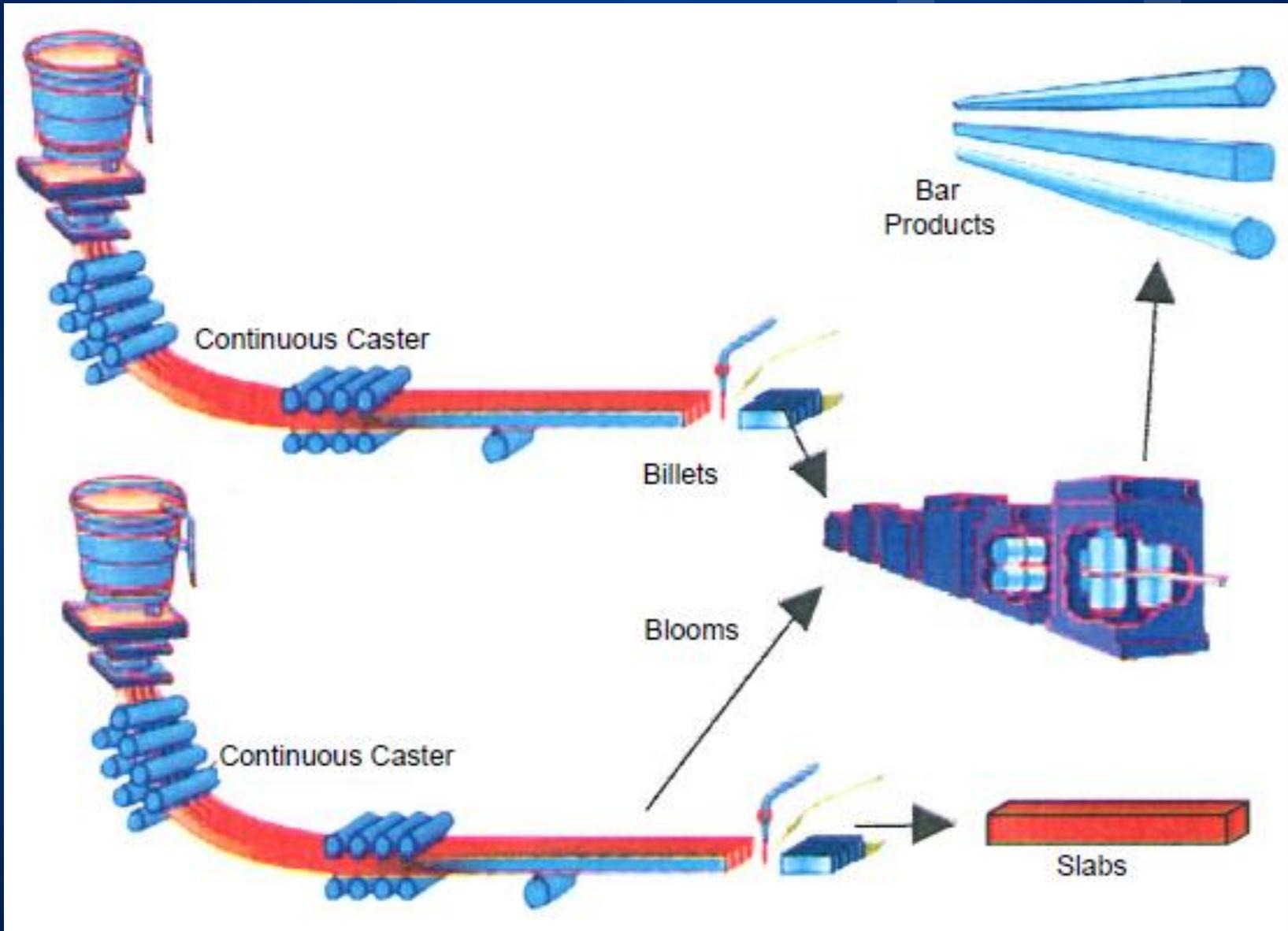
# Steel Making: Part 1

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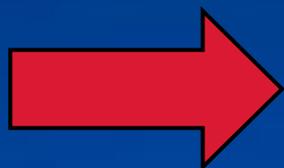
# Steel Making: Part 2

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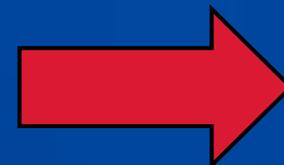
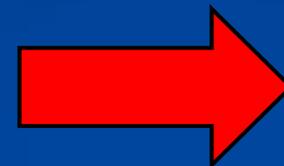


# Steel Making: Effects on Economy

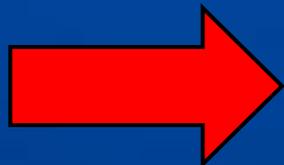
**Iron/Steel  
Scrap Dealers,  
Brokers, and  
Processors**



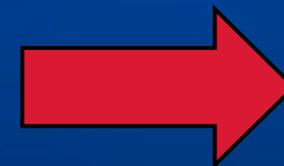
**30,000  
Employees  
\$900 Million  
in Payroll**



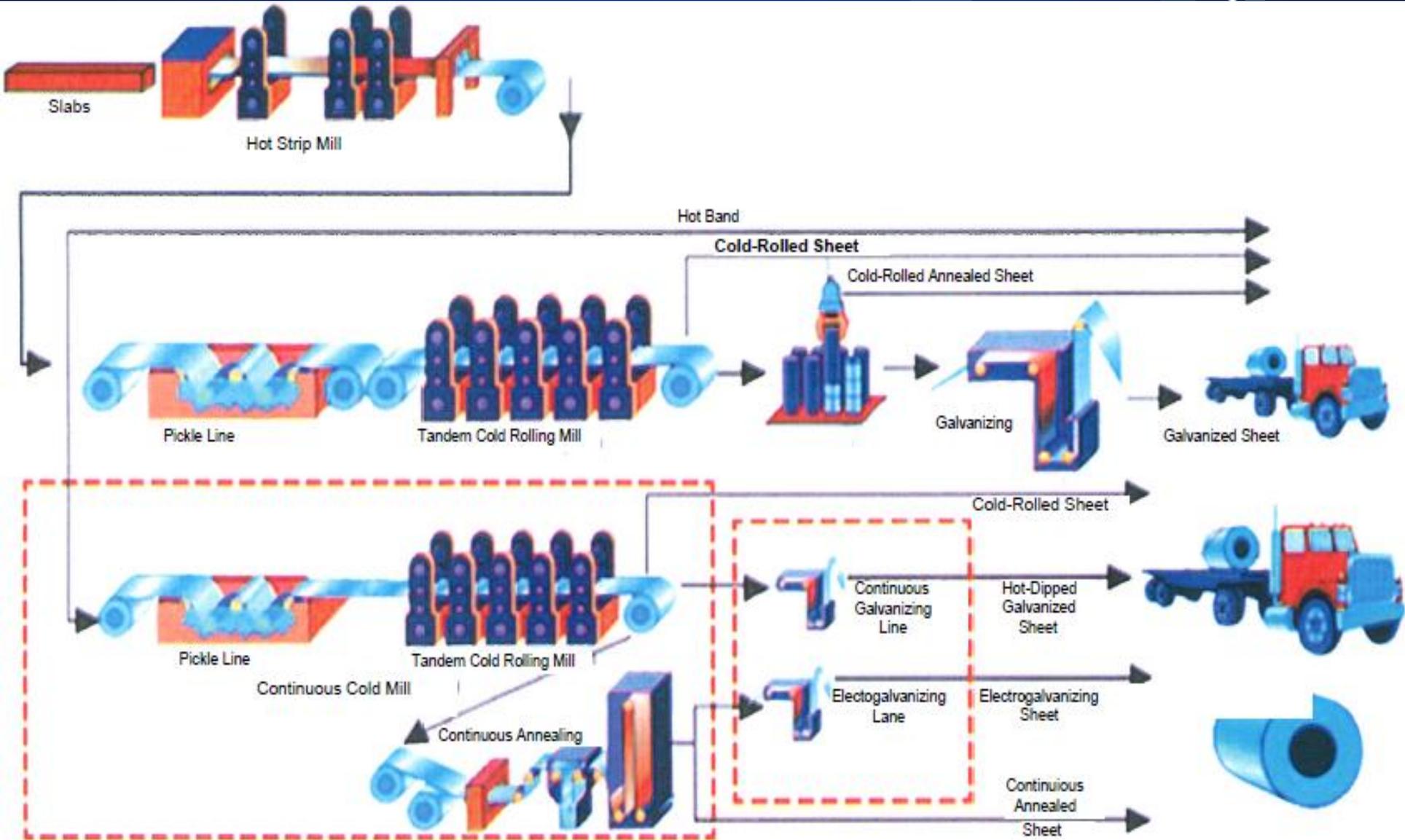
**Iron/Steel Mills  
and Ferroalloy  
Manufacturing**



**102,127  
Employees  
\$7.3 Billion  
in Payroll**



# Flat-Rolling



# Outsourcing Pollutes

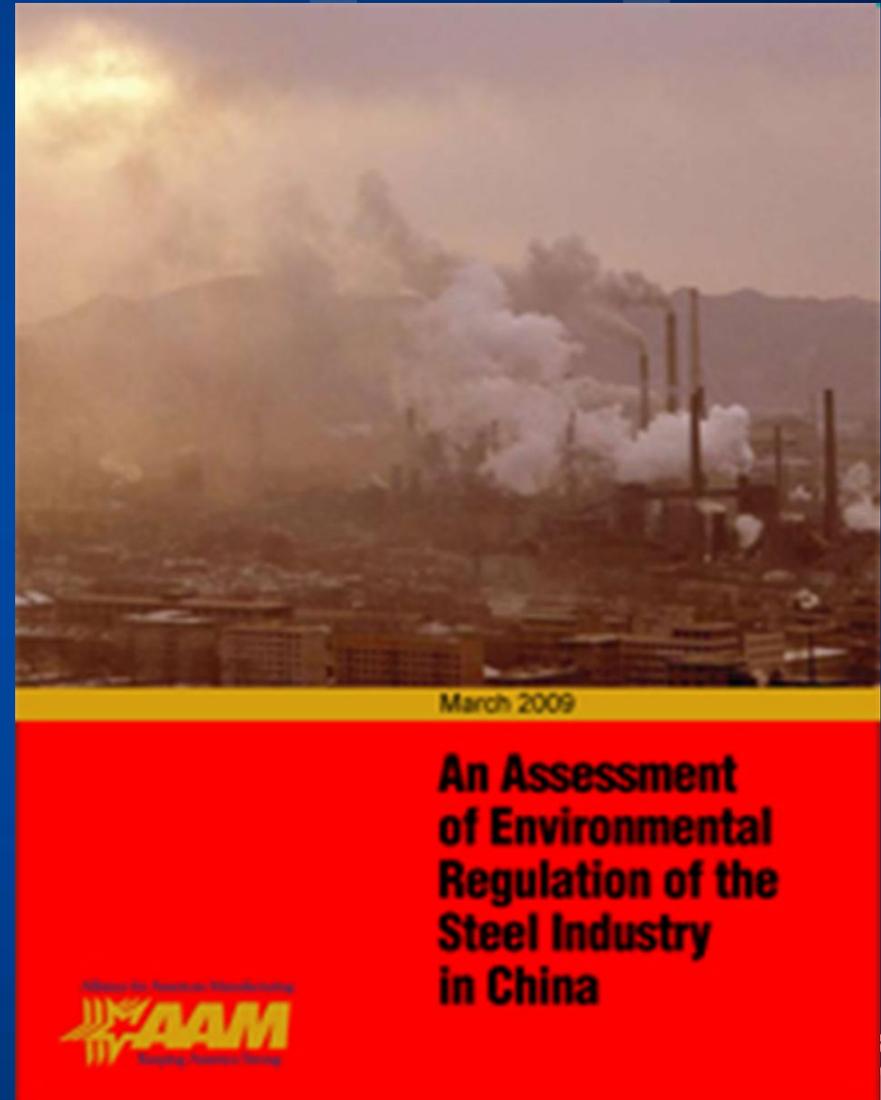
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**China Dominates  
Steel Production**

**China's Steel  
Industry Pollutes**

**Twice as Much CO2**

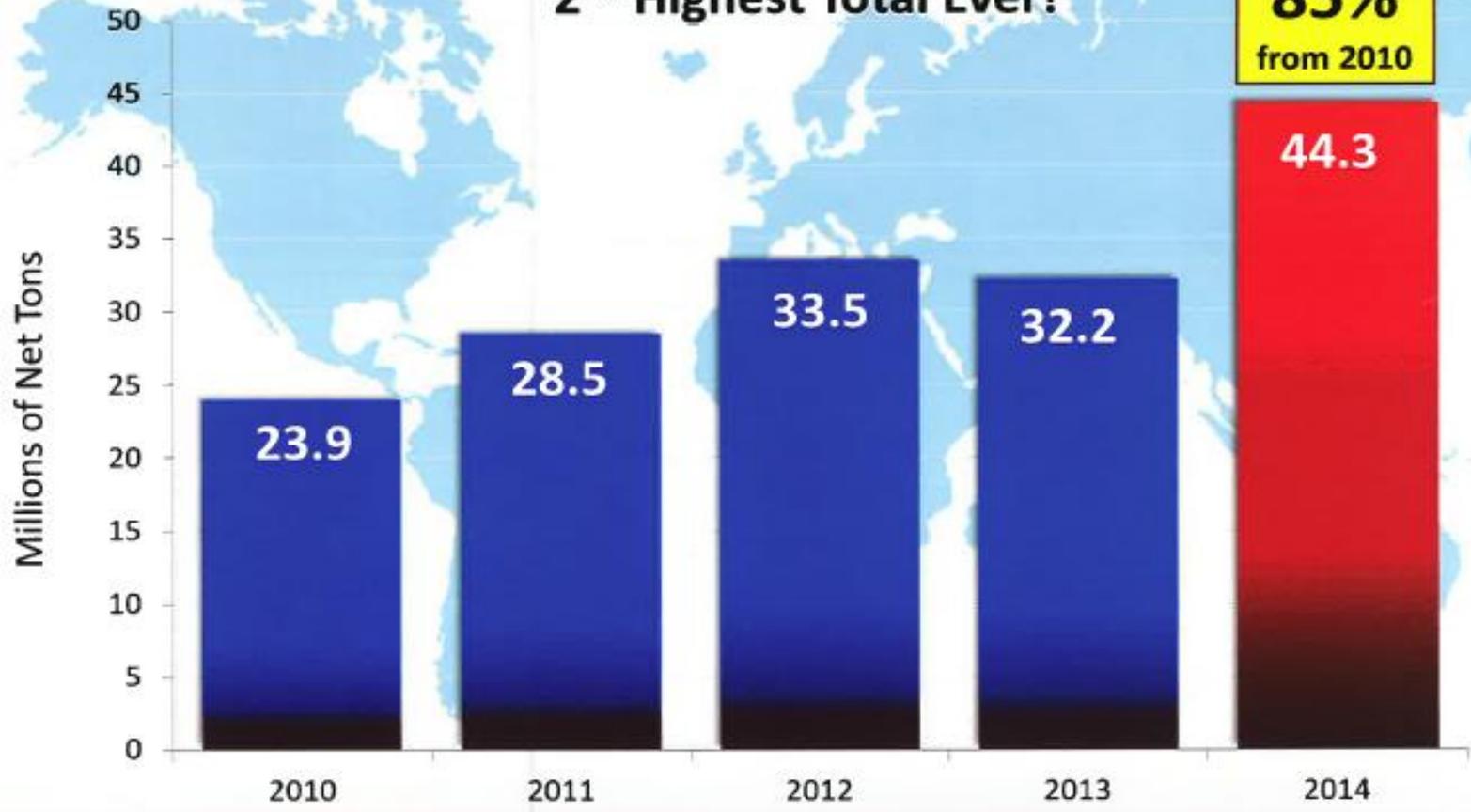
**Weak Enforcement  
Regime**



# STEEL IMPORT TSUNAMI

**38% Increase vs. 2013**  
**2<sup>nd</sup> Highest Total Ever!**

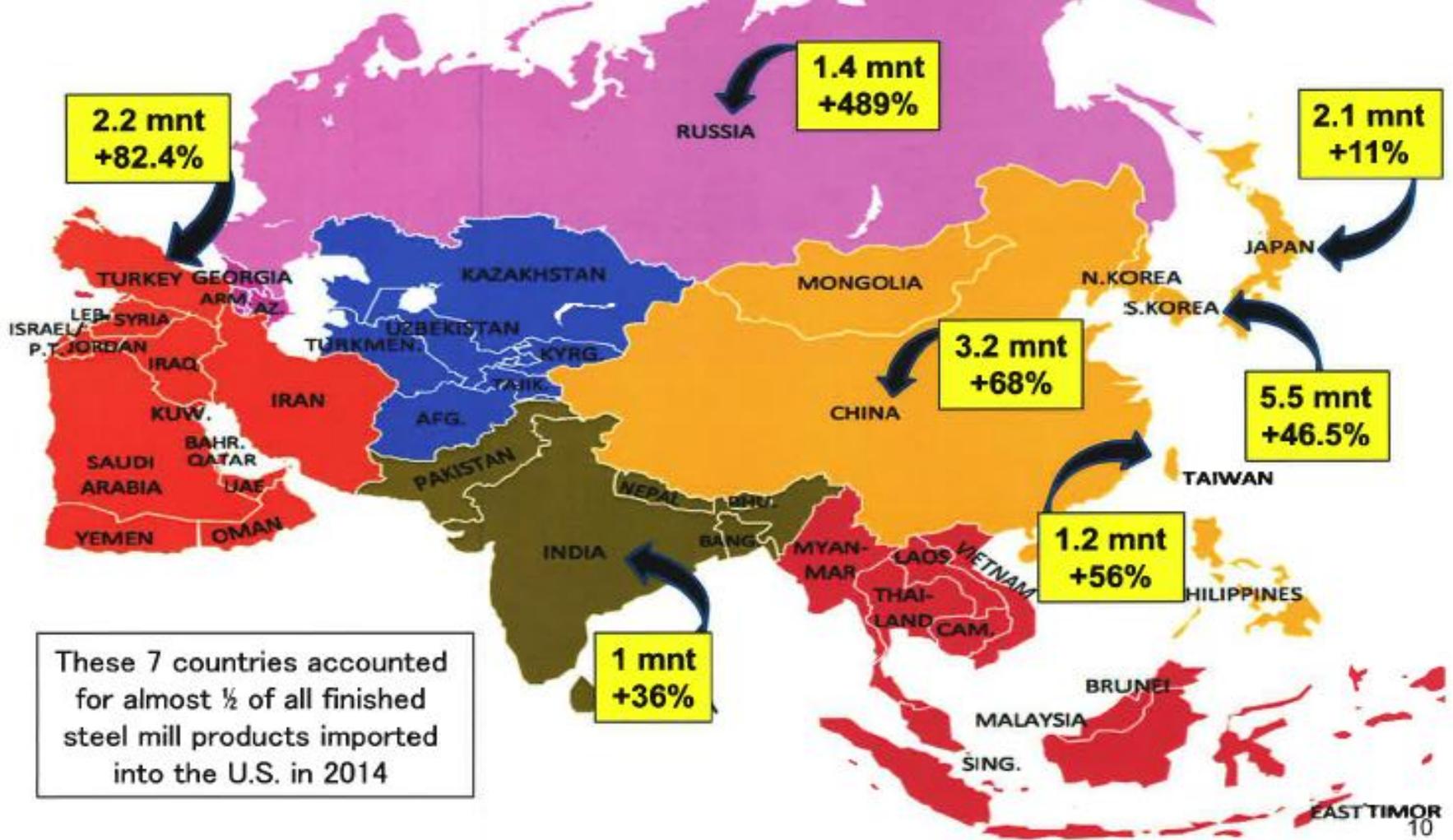
UP  
**85%**  
from 2010



# Where are the Imports coming from?

*mnt = million net tons, finished products*

*% = percent increase vs. 2013*



These 7 countries accounted for almost 1/2 of all finished steel mill products imported into the U.S. in 2014

# Buy America

Preference – not a MANDATE – for American-made goods when your tax dollars are spent by the government.

Targets iron, steel, and manufactured goods.

Common-sense waivers to protect the taxpayer and ensure that quality is not compromised.

100% compliant with our trade laws; encourages free (but FAIR) trade.

Federal Laws on the books since 1933; Expanded in the 40s/50s for Defense and again in 1982 for highways/transit.

VOTERS SUPPORT STATE



# BUY AMERICA



LAWS

**80%** of Americans support State Buy America Laws

## NORTHEAST

GOP	78%
DEM	80%
IND	79%

## MIDWEST

GOP	77%
DEM	86%
IND	75%

## WEST

GOP	81%
DEM	76%
IND	71%

## SOUTH

GOP	82%
DEM	87%
IND	78%

## According to NASPO, at least 20 states have some form of Buy America preference

**Alabama** – steel and other goods from

AL

**California** – U.S. materials

**Georgia** – GA lumber

**Illinois** – steel and manufactured goods

**Indiana** – foundry products

**Iowa** – IA goods

**Louisiana** – U.S. materials/goods; reject goods from communist countries

**Maryland** – steel, manufactured goods

**Massachusetts** – MA goods first, U.S. second

**Missouri** – manufactured goods

**Montana** – U.S. products

**New Hampshire** – flags

**New York** – steel/other

**North Carolina** – NC goods first, U.S. second

**North Dakota** – flags

**Ohio** – manufactured goods

**Oklahoma** – goods/equipment

**Pennsylvania** – steel products

**Rhode Island** – steel

**South Carolina** – SC products first, U.S. second

**Texas** – TX products first, U.S. second

**West Virginia** – steel, glass, aluminum

**Wisconsin** – manufactured materials

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