



Biography

Richard "Rick" Galiano is a staff representative for the United Steelworkers and the President of the Beaver Lawrence County Central Labor Council. Prior to his career in the steelworkers union Rick worked at TMK-IPSCO Koppel steel facility where they are capable of manufacturing 600,000 tons of steel billets and 160,000 tons of Heat Treated Pipe. A graduate of the Lawrence County Vo-Tech School in New Castle, Richard sits on the Lawrence County United Way board and is a member of the Lawrence County Drug and Alcohol Commission. Mr. Galiano lives with his wife of 40 years, Maryann in New Castle.

Testimony of

**Richard Galiano
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**United Steel, Paper and Forestry, Rubber, Manufacturing, Energy,
Allied Industrial and Service Workers
International Union (USW)**

before the

Senate Committee on Finance

on

**Trade Enforcement and Infrastructure: Safeguarding our
Industrial Base from Present and Future Challenges**

February 16, 2018

Mr. Chairman. Members of the Caucus. It is an honor to speak with you at this field hearing on Trade Enforcement and Infrastructure. My name is Rick Galiano and I am President of the Beaver Lawrence Labor Council and a United Steelworker (USW) member. My testimony to you today is straightforward; I try to do everything in my power to improve the livelihood of our union brothers and sisters, our communities, and our country. I want Congress and the Administration to do the same. My concern is that the tools that our country has to defend its manufacturing base and move it further into the new millennium have been improved, but much more must be done.

Since Congress passed the Leveling the Playing Field Act and the ENFORCE Act a slew of trade enforcement cases followed. The much-needed trade law improvements in the Leveling the Playing Field Act were critical to the success of those cases and Senator Wyden's ENFORCE Act is necessary when those that trade unfairly try to game the system. Since then, some of our international competitors have tried to deride these changes as "protectionist"; instead I see the day-to-day results when a worker gets a job back or their hours increase. And I also see the potential if we could do more. Restoring fair play and ensuring that we have a fair chance to compete internationally is all we ask.

For example, since the USW successfully brought forward an antidumping and countervailing duty case on Passenger Vehicle and Light Truck (PVLТ) tires against China in 2015 and off the road tires from India last year, close to \$3 billion dollars have been invested into U.S. tire plant expansions and factories.¹ 7,200 union tire workers at Goodyear reached a new 5 year agreement with wage improvements and an extension of plant protection guarantees where no USW plants will close during the term of the agreement.² To the doubters of the value of trade enforcement, I dare them to look one of those workers in the face and tell them they are not worth "protecting".

I wish I could say there is a similarly positive outcome in the steel industry as there is in the tire industry. Since the passage of the Leveling the Playing Field Act, 67 anti-dumping and countervailing duty orders against a multitude of countries have been put into effect. While those trade enforcement cases in the steel industry worked through the year-long process to get tariff relief, almost 19,000 steelworkers that were laid off in 2015 at idled or underutilized facilities across the country waited. Too many are still waiting. And, let's remember, those trade cases are simply about addressing foreign unfair trade in line with international rules we weren't asking for anything that the law wasn't designed to provide.

¹ <http://www.rubbernews.com/article/20160913/NEWS/309059996/tire-makers-invest-10-billion-in-expansions-improvements> & <http://www.rubbernews.com/article/20170911/NEWS/170919998/tire-makers-spend-big-on-new-plants-expansions>

² <https://www.usw.org/news/media-center/releases/2017/usw-members-overwhelmingly-approve-goodyear-contract>

While workers waited, the steel industry last year shipped 90,886,717 net tons, a 5.0 percent increase, which is promising on the one hand but the industry operating capacity hovers in the low seventies, meaning roughly 25% of our country's steel making capability sits idle or underused.³ While global overcapacity still gets talked to death at the Global Forum of Steel Overcapacity and at the Organization of Economic Cooperation and Development (OECD), USW has been cautiously optimistic about the chance for unilateral relief through the implementation of more exotic trade enforcement mechanisms like the Section 232 steel and aluminum investigations currently in President Trump's hands.

As you are aware, Section 232 is a part of U.S. trade law that gives the Commerce Secretary the ability to investigate whether certain import levels pose a national security threat. USW firmly believes that our nation's military and critical infrastructure needs are essential to our national security. The industry cheered last April when President Trump announced a "Section 232" investigation into steel imports – but we are still waiting for results.

When President Trump and administration officials had pledged to unveil the findings of the "Section 232" investigations by July 1 of 2017 we were hopeful at first and left wondering each day after. Now it is over a month since the Commerce Department submitted the 232 steel and aluminum reports to the President and they're still sitting on his desk. Those reports initiated over 270 days ago by the Trump Administration appeared to be an attempt to fulfill a campaign promise to manufacturing workers.

By delaying the 232, the foreign steel industry saw an opening. While the U.S. has shipped more steel this year, finished steel import market share was 27% for full year 2017. Total and finished steel imports are up 15.4% and 12.2%, respectively.⁴ The economy has grown but the U.S. steel industry continues to fight a barrage of foreign steel products. Most of the growth in our market is going to imports – not to our own steel mills and steelworkers.

However, our union has not been idle, knowing that others would try to undermine the 232 investigation. USW members across the country have stood up asking for the Congress and the administration to do its job and defend the most efficient and advanced manufacturing industry in the world. Since the initiation of those investigations, over 120 Representatives and Senators submitted letters to the Department of Commerce or the President urging action on the investigations.⁵ Almost

³ http://www.steel.org/Steel_org/document-types/news/2018/decembershipments.aspx?siteLocation=c481cc99-d816-4613-805c-b90af33cc162

⁴ <http://www.steel.org/~media/Files/AISI/Press%20Releases/2018/IMP1712.pdf>

⁵ <https://www.usw.org/news/media-center/articles/2017/thanking-those-who-stand-with-us>

15,000 Steelworker union members from across the country wrote the Department of Commerce asking for a conclusion and successful remedy.

Promises and rhetoric can only go so far, the actions we take as a country to create a better deal for American workers will be the measure by which union members and voters hold our elected officials.

U.S. workers should not fear globalization, but it requires our elected leaders to focus not just on corporate profits but on the distribution of that wealth. Our trade laws need to reflect a more globally connected world and the potential for abuse by bad actors. We are using tools developed in the last century to fight a war in this one. A modern steelworker in this country can make 1.9 tons of steel per man hour; I want our country's trade laws to be that efficient and effective.⁶

The Finance committee has the potential to not just upgrade our trade laws but also set a path to renew our nation's infrastructure. The great accomplishments of the 20th century in this country need maintaining and unlocking the potential of the 21st century requires leadership from all levels of government including this committee.

Even though the U.S. Congress and some states have recently made efforts to invest more in infrastructure, these efforts do not come close to the \$2.0 trillion in needs as reported by the American Society of Civil Engineers (ASCE). Infrastructure is the backbone of the U.S. economy and a necessary input to every economic output. It is critical to our national defense.

The cost of deteriorating infrastructure takes a toll on families' disposable household income and impacts the quality and quantity of jobs in the U.S. economy. ASCE estimates that from 2016 to 2025, each household will lose \$3,400 each year in disposable income due to infrastructure deficiencies.⁷

If I paid only half my mortgage payments, I would lose my home. Yet as a country we are only paying half of America's infrastructure bill, leaving an investment gap and an electorate stuck in gridlocked traffic on outdated roads or crammed into unreliable and unsafe mass transit systems. It diminishes our competitiveness by increasing costs to business and getting products to markets. I worry that by failing to meet our country's infrastructure needs we will indeed be at risk of losing the cohesion of our great country. I want to put a few examples in front of you today to reflect on. I do not know all the solutions to these problems but just like every USW member, I am willing to roll up my sleeves to fix these problems.

⁶ <http://www.steel.org/about-aisi/industry-profile.aspx>

⁷ <https://www.infrastructurereportcard.org/wp-content/uploads/2016/10/ASCE-Failure-to-Act-2016-FINAL.pdf>

- In today's increasingly digital world, 88 million citizens in urban and rural America lack affordable or any broadband access.⁸
- It is estimated that leaky, aging pipes are wasting 14 to 18% of each day's treated water; the amount of clean drinking water lost every day could support 15 million households.
- Due to the lack of investment, the number of deficient high-hazard potential dams has also climbed to an estimated 2,170 or more. It is estimated that it will require an investment of nearly \$45 billion to repair aging, yet critical, high-hazard potential dams.
- One out of every five miles of highway pavement is in poor condition and our roads have a significant and increasing backlog of rehabilitation needs.⁹
- The most recent estimate by the American Society of Civil Engineers puts the nation's backlog of bridge rehabilitation needs at \$123 billion.

We are fast closing in on 20 years into the new millennium and the federal government cannot just be a partner with states and private entities. Nor can it improve infrastructure by privatizing or selling public assets. We need the federal government to be a leader. We need to set policies that maximize the public good for our infrastructure not just for the short term but the long term.

We need to ensure our tax dollars are used to maximize the economic benefit with domestic procurement policies like Buy America. We must ensure that products actually qualify under the Act. Foreign producers have been pushing to undermine our melted and poured standard so that only 10 percent of the actual work would be done in this country as they ship slabs into the U.S. hoping that minor transformation here would confer preferential procurement status. Loopholes and gimmicks aren't acceptable. We need to avoid privatization for the sake of privatization. We need to ensure workers receive a living wage for the work they do to bring our infrastructure into the 21st century.

In closing, I know with a strong trade enforcement strategy combined with a concerted effort to renew our infrastructure we create a better America. Workers in Pennsylvania, the country and every USW member have faith that we can use the last 10 years of economic turnaround to springboard into the future but we look to you as our elected leaders to accept that faith and lead.

⁸ <https://www.recode.net/2017/6/20/15839626/disparity-between-urban-rural-internet-access-major-economies>

⁹ <https://www.infrastructurereportcard.org/cat-item/roads/>