

## Nucor Public Affairs Update

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### Sunset Reviews of Steel Trade Remedies

Throughout 2022 and 2023, the U.S. Department of Commerce and the U.S. International Trade Commission (ITC) are conducting five-year sunset reviews of the antidumping (AD) and countervailing duty (CVD) orders in place on numerous steel products. If the ITC makes affirmative determinations in a case, trade relief will remain in place for at least another five years.

#### *Recent determinations:*

In July 2022, the ITC voted 5-0 to keep in place the AD and CVD orders on corrosion-resistant steel products from China, India, Italy, Korea, and Taiwan.

In July 2022, the ITC voted 5-0 to keep in place the AD and CVD orders on cold-rolled steel imports from China, India, Japan, Korea, and the UK, while reaching a negative determination with respect to the orders on Brazilian cold-rolled steel by a 3-2 vote. The ITC will not publish its written opinions in these cases until late August 2022, but it is anticipated that the Section 232 quota in place on Brazilian cold-rolled imports heavily impacted the ITC's negative determination.

#### *Ongoing reviews:*

The ITC will hold hearings in the following reviews this fall with final votes expected to be held in late 2022 and early 2023:

- Hot-rolled steel products from Australia, Brazil, Japan, Korea, the Netherlands, Russia, Turkey, and the UK;
- Circular welded pipe products from Oman, Pakistan, and the UAE; and
- Cut-to-length plate products from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey.

The ITC will also conduct sunset reviews concerning trade orders on rebar, wire rod, and light-walled rectangular pipe throughout 2022, with hearings anticipated to be held in 2023.

### Section 332 Investigation

At the direction of Congress, the ITC initiated a Section 332 investigation in May 2022 to examine the impact of Section 232 and Section 301 tariffs on U.S. industries most affected by the duties. The Section 232 tariffs were imposed in March 2018 on imports of steel and aluminum for national security reasons. Several tranches of Section 301 tariffs were put in place from 2018 to 2020 and continue to cover a wide variety of Chinese imports, totaling a combined import value of \$550 billion. These duties were instituted as a result of a Section 301 investigation that determined that China's acts, policies, and practices related to technology transfer, intellectual property, and innovation are unreasonable and discriminatory.

The ITC's Section 332 investigation is especially relevant in the current inflationary environment, as many opponents of the tariffs have claimed that they contribute to inflation and economic uncertainty. These arguments are misplaced, however, as these duties have had virtually no inflationary impact and remain critical to national security. The ITC held public hearings in July 2022 during which Nucor and other U.S. steelmakers testified in support of continuing Section 232 and 301 trade relief. The ITC expects to submit its findings to Congress by March 15, 2023.

## CHIPS Act

At the end of July 2022, Congress passed a long-awaited bipartisan \$280 billion funding package for the domestic chip-making industry and scientific research, known as the Chips and Science Act of 2022 ("CHIPS Act"). The legislation, which was supported by Nucor and the American steel industry, was signed into law by President Biden in August 2022.

The CHIPS Act is intended to strengthen America's economy and national security – both of which rely heavily on chips – by boosting the manufacturing of essential semiconductors and computer chips here at home in the United States. Reshoring semiconductor production in the U.S. will help prevent future supply chain crises and gives us a tremendous opportunity to unleash a manufacturing renaissance in America, creating demand for the construction of new factories, warehouses, data centers and related structures.

*Specifically, the CHIPS Act:*

Provides \$52.7 billion in funding for semiconductor production

- \$52.7 billion for chip manufacturing, research and production, including \$2 billion for legacy chip production — those essential to the auto industry and the military.
- 25% tax credit for investments in semiconductor manufacturing, worth about \$24 billion; and

Authorizes approximately \$200 billion for scientific research but doesn't appropriate the funds. This spending will require further action from Congress. Highlights of the authorized funds include:

- \$81 billion for the National Science Foundation to fund applied technological research, innovation and commercialization efforts. It is also intended to help increase our nation's STEM workforce.
- \$50 billion for the Department of Energy's Office of Science.