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AOPL Disappointed with Steel Tariff Action that Threatens U.S. Jobs *Encouraged Administration Agreed to Suggestion of Exemptions*

WASHINGTON, DC – Today, the Association of Oil Pipe Lines (AOPL) expressed disappointment over President Trump’s decision to impose new steel tariffs that threaten U.S. pipeline construction jobs. Pipeline related articles facing the president’s new 25% tariff include iron and alloy steel used to make pipelines and line pipe for oil and natural gas pipelines. These products currently are not sufficiently available in the U.S. to meet pipeline construction demand.

“While we are disappointed the president took this action, it is now crucial the exemption process work to avoid U.S. pipeline workers losing their jobs,” said Andy Black, AOPL President and CEO.

Earlier today, the president signed a proclamation imposing a new 25% tariff on a range of raw and finished steel products, including line pipe used to construct pipelines. Section (3) of the proclamation does authorize relief from the duties for any “steel article determined not to be produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality.”

On Tuesday, [AOPL and a coalition of pipeline and energy infrastructure trade associations joined together](#) to discourage imposition of new steel tariffs that could threaten American jobs constructing pipeline projects. The groups urged the administration to at least allow exemptions when steel products needed for energy production, processing, refining, transportation, and distribution are not sufficiently available in domestic markets.

This is important because a study conducted on behalf of the U.S. pipeline industry in May found U.S. domestic steel and pipe production capacity is insufficient to meet pipeline demand, especially for larger diameter or thicker walled pipelines. At 3% of the total U.S. steel market, pipeline-grade steel is a specialty product forming a niche market that U.S. domestic steel producers largely exited. The study found a 25% pipe cost increase translates to \$76 million cost increase for typical pipeline or +\$300 million cost increase for major cross-country pipeline project. Just as important, U.S. pipe manufacturing mills (half dozen in the South) are small and can only handle one order at a time, meaning wait times of 1-2 or more years for new pipe orders. The result could be delayed or canceled pipeline projects and jobs lost by U.S. pipeline construction workers.

While it is too early to tell the future effectiveness of the exemption process, AOPL is hopeful this administration will not allow the loss of good-paying jobs in steel consuming sectors like the U.S. pipeline industry.

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