EDITORIAL ADVISORY BOARD: Steel dumping isn't an amusing game

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When my daughter was 5, our family began playing Monopoly. It has been her favorite game. For a while, we called her Trump Jr. When explaining real life issues to her, I often refer back to the game.

Although I have yet to discuss this with my daughter, the critical importance of strong government policy to address unfair foreign trade, currency manipulation and other market distorting practices can be illustrated by using a simple Monopoly example. This is particularly true in the steel industry, which has been plagued for years by unfair trade practices and injurious import surges.

In Monopoly, every player begins the game with $1,500 from the banker and is free to buy and sell property. Each player's money is worth face value. But what if the banker determined some players' money would be worth more than others or even provided additional cash to some but not all players? In this way, the banker would be similar to a foreign government that either manipulates its currency or provides subsidies to its industry.

In Monopoly, the Chance and Community Chest cards either award or assess money for taxes and other matters, and all players have to pull these cards when they land on those spaces. What would happen if certain players paid less in taxes than others or did not have to draw those cards? This would be similar to steel manufacturers operating in foreign countries with little or no taxes, or regulation of the environment, product safety or employee safety.

While the players in Monopoly do not manufacture or sell a product, they do buy and sell property. What if a player sold their property below market prices or below the cost of purchase yet they were still made whole to the true value of the property by the banker? This would be similar to the product dumping which occurs on a regular basis in the steel industry. Government-subsidized steel manufacturers in foreign countries often "sell" their product in the United States at prices below fair market value or below the cost of production, significantly undercutting the price of products made in the United States.

In December 2013, the U.S. International Trade Commission extended the 2001 trade relief on hot-rolled steel products produced in China, India, Indonesia, Thailand, Taiwan and the Ukraine. The ITC made the right decision. Last year, these six countries had almost 105 million net tons of unused capacity – a figure nearly four times larger than the entire U. S. merchant market. The steel industry is pleased with this decision and its strong message that unfair trade will not be tolerated.

Maintaining a strong domestic steel industry is critical to the long term future of the United States. The ITC decision is a good start. U.S. Steel Corp. and our trade association partners urge the federal government to address the issues that affect the steel industry's ability to compete in global economy, including currency manipulation; high U.S .corporate tax rates and burdensome U.S. regulations. By doing so, our Monopoly board will be fair and the U.S. steel industry can compete in the global economy.