

STRUCTURAL BUILDING COMPONENTS MAGAZINE

May 2002

STCA Update

www.steeltruss.org

Steel Tariffs Announced by STCA Staff

STCA supports free trade and is opposed to artificial restriction on steel imports. The organization supports all actions that will result in systemic changes to the manner in which the steel market functions so that steel is priced in an open and competitive way, without governmentally imposed production requirements.

STCA's support of completely free trade runs contrary to the steel tariff that was announced in March. To ensure that members were heard, President Keith Kinser and Executive Director Kirk Grundahl sent a letter to President Bush prior to the final decision, which stated the association's position on the tariff. Unfortunately, on March 6 a steel tariff was imposed.

Members of STCA are disappointed with President Bush's announcement that the U.S. will impose tariffs of up to 30 percent on most types of steel imports from Europe, Asia and South America. The 30 percent tariff went into effect on March 20; it will then drop to 24 percent in 2003 and then to 18 percent in 2004.

These tariffs are less than the 40 percent sought by the steel industry. The president's plan exempted Canada and Mexico and developing nations from the tariffs. It also does not include an industry-sought bailout of \$10 billion for retired workers of bankrupt companies. That decision could well be in the hands of Congress.

The tariffs, which will be imposed for three years, are intended to give the steel industry time to consolidate and overhaul itself, and to force Europe and Asia to shut down excess production.

The 30 percent tariff imposed on light gauge steel, which comprises 45 percent of the cost of steel trusses and components, will have a severe adverse effect on the economic structure of our industry. The tariff will now create serious cost ramifications by increasing raw material costs and will create greater competition from abroad for the products STCA members make. Because cold-formed trusses are used predominantly in commercial and light industrial projects, including nursing homes, hospitals and schools, these tariffs will most likely have serious consequences for various state and local governments and their ability to sponsor these types of projects in these times of restricted state and local government budgets.

To read the letter sent to President Bush from STCA, please visit our web site.

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