



Stripmatic Products Inc.

June 19, 2003

U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

**Re: Steel-Consuming Industries: Competitive
conditions with respect to Steel Safeguard Measures,
Investigation No. 332-452;**

Dear Madam Secretary and members of the ITC.

Good afternoon. My name is Bill Adler. I am the president and co-owner of Stripmatic Products, Inc. which has one facility located in Cleveland, Ohio.

Stripmatic is a contract manufacturer that uses a unique stamping process to form tubular shapes typically less than 6" long. The two major markets that we serve are the automotive and heavy truck industry. In the automotive markets our parts are used in shock absorbers, chassis, instrument panels and seat frames. In the heavy truck market our parts are used mainly in the brake assembly.

Stripmatic was founded in 1946. My wife and I acquired Stripmatic in February of 1992 and we were challenged with resurrecting a company that had fallen on hard times. We created

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an effective business plan, which helped us grow sales from \$1 million to just under \$5 million in the first 7 years. We started with 14 employees in 1992 and were able to create another 19 jobs over the next 7 years.

The hope of my wife and I realizing "the American Dream" has taken a severe body blow since the steel import tariffs were enacted. Before import tariffs, we utilized Continuous Improvement Programs to squeeze any non-essential costs out of the products and processes in an effort to overcome cost issues such as 4 straight years of double digit health insurance increases, the negative effects of the dollar exchange rate, \$.35/hour Asian rim labor rates and repeated requests for price reductions from our existing customers.

Material is usually 50% of our selling price. Our price for hot rolled steel before April 2002 was \$500.00/ton. We were paying \$630.00/ton in the 1st quarter of 2003. With all of the other cost pressures that we face, it is very difficult to absorb a 30% increase in material and remain in business very long. With the 1st stage of the tariff expiring, we have seen some minor relief in the steel prices during the last 30-60 days but the continuation of any tariffs will have a drastic affect in our ability to compete against companies across our borders.

We normally average 2-3 new major accounts in a year. Since the import action over 15 months ago, we have yet to be successful in landing even 1 new major account. For example, after working with a customer on a large quote package for over a year, a competitor won the contract from underneath us by having the parts fabricated in Europe and shipped in as finished goods thus avoiding the steel tariff penalty.

Of equal concern is that a few of our automotive buyers have advised us that part of their performance review will be based on

how many parts they can source off shore. They went on to say that they are targeting programs that are either labor intensive or high in steel content. They realize that since there are no comparable tariffs on finished steel parts, that the foreign steel fabricators have a distinct price advantage over domestic producers.

I believe that when the tariffs are lifted, it will change the attitude of the buyers who now believe that as long as any steel tariff is in effect, domestic metal formers cannot be the lowest cost globally, which is those same buyer's stated objective.

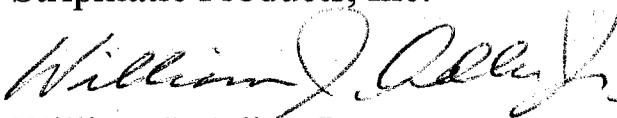
Our sales for the second calendar quarter of 2003 will be lower than any of the second quarters for the last five years and 15% below the average of those comparable five quarterly periods. If our job activity doesn't increase by the end of August, we will most likely be forced to lay-off another 4 to 5 people. That situation is never easy, but doubly hard when you are working in a small company, family atmosphere.

I am asking you on behalf of myself, my co-workers and the entire metal forming industry to recommend the removal of all steel import tariffs immediately to minimize the damage that already has occurred and hopefully assure our jobs in the future.

I thank you for your time and consideration on this important matter.

Respectfully yours,

Stripmatic Products, Inc.



William J. Adler, Jr.

President