

United States International Trade Commission
Washington D.C. 20436
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Panel Eight – Suppliers to Steel Producers
Jack L. Carlson, Chief Executive Officer
Pyro Industrial Services, Inc.
AmBriCo, Inc.
Executive Vice President
Jamaro, Inc.
Executive Vice President

Ladies & Gentlemen,

I am honored and grateful for this opportunity to appear before you on behalf of thousands of corporations nationwide whose interests I represent today. These corporations are comprised of literally millions of United States citizens who contribute in every conceivable way to what this country is, and what our future as a nation will be.

I realize that at this point in your hearings you have undoubtedly heard countless economic arguments and statistics available in support of Section 201 relief. Consequently I will concentrate on less empirical, but equally tangible aspects of our industry to demonstrate how vital this 3-year prescription for recovery really is.

Since 1975, I have owned and operated a family of small corporations out of Northwest Indiana. These companies serve a 10 state Midwest region and furnish construction services, raw material, alloy & scrap distribution, and waste recycling. Many of the mills that filed bankruptcy, and all the larger consolidating corporations are our customers.

No one here today is a more fervent advocate of free trade principles, or less tolerant of lapses in good management paid for by government bailouts. However, the steel industry is unique and essentially indigenous to the heart of not only the American economy, but American Society as well. No other area of domestic manufacturing, when its customers and suppliers are included, provides so dramatic an impact on our nation's cities, their citizens, our national defense, consumer confidence, social welfare, environmental preservation, and national morale.

This Industry has been integral to who and what we are, our survival and success, for over 150 years. In that period, entire cities and populations have been built and nurtured on its broad, infinitely generous shoulders. In many communities, besides the huge tax base provided, the Industry and its suppliers provide even traditional government services: Fire and Rescue response, snow plowing, refuse pickup. Schools and libraries, churches, and community centers, sports and cultural activities, charitable institutions, hospitals, clinics, and health centers – all have, and to whatever degree possible – still benefit across the nation from this quality of life that the Steel Industry has historically provided.

This Commission is funded by and responsible to the citizens whose lives are touched or dependent on benefits far more ingrained in our society than the coil or beam of steel produced. Just as these secondary, yet entirely tangible, effects can dwindle, or, with the closing of a plant, disappear, so too are other aspects of our society endangered when the Industry is barely surviving. Laws that protect workers and the environment are, in many cases, lax or even non-existent beyond our borders. Our own statutes are not always consistent or equitably enforceable. A Steel Industry in desperate straits must eliminate everything that is non-essential to the short-term goal of maximum productivity and minimum expense, while usually borrowed to the hilt.

In view of a hopelessly non-competitive market, all pro-active initiative goes on hold. The letter, not the spirit of compliance, becomes the revised policy. Training and awareness programs cease. Continuous improvement projects go on hold. When a body needs air it can't consider anything else but it's survival. Survival economics make for bad decisions, and create a vicious downward cycle of inefficiency and long term failure.

This Industry's survival must be guaranteed by a consistent government program, not one which encourages huge investment and human commitment, but reverses field 18 months hence. This Industry's survival essentially is the taxpayer's survival, and thereby is the foundation of economy's survival.

Recently AmBriCo had to shut down a waste products recycling operation. Studies showed clearly that this project saved the mill considerable operating costs, saved the environment landfill use, and also created jobs. We laid off 38 people in a town whose unemployment rate was 27%. Some of those employees had recently purchased homes and automobiles. They also paid taxes – now they survive on our tax money – it's called unemployment benefits.

The effects we speak of in this case are human, flesh and blood. But moreso for the purpose of this discussion they are economic, dollars and cents.

The relief provided the Industry in the short term by section 201 has been dramatic. Consolidation is well underway and American man hours/ton of steel now produced is the lowest in the world. Economic stimuli can be glacial in their effectiveness, yet their timing can be critical. The entire case for maintaining the original formula of 3 years is written on a small prescription bottle every one of us has read often. "Continue with dosage until all medication is finished."

Despite unimaginable low prices, our Industry through temporary tariff relief has been given new resiliency, which undoubtedly prevented a new wave of bankruptcies. The antibiotic is working – finish the medicine.

The socio-economic infrastructure created by heavy manufacturing must be maintained. The devastation caused by shutting an operation is immeasurable and permanent.

Our nation can trace the livelihood of a major segment of its population to the Industries you will soon effect, so critically, by your decisions. Is not the welfare of so many American families and businesses worthy of at least the full 3-year relief they were promised? I personally know the employees I represent are worth it. I'm sure the millions represented by this week's witnesses are worth it as well. I urge you to allow them all to follow your original course to its successful conclusion.

Thank you.