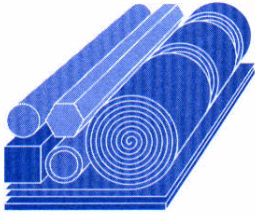


# NEWS



## **SPECIALTY STEEL INDUSTRY OF NORTH AMERICA**

**3050 K Street, NW  
Washington, DC 20007**

FOR IMMEDIATE RELEASE

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Contact: Meg Mullery 202.342.8439  
MMullery@colliershannon.com

### **PRESIDENT BUSH'S TARIFF REMEDY BENEFICIAL TO STAINLESS STEEL INDUSTRY**

#### **White House Announces Tariffs on Stainless Bar, Rod and Wire Imports**

(Washington, DC) - Today's comprehensive remedy decision by President Bush on import relief for steel was viewed as generally beneficial to the U.S. producers of stainless steel. Domestic tool steel producers, however, were disappointed that no action will be taken on imports of their product.

According to industry executive Dennis M. Draeger, "While we were hopeful that the tariff levels would be higher, we do believe they will provide some relief from the tide of foreign specialty steel flowing into the United States that has injured an important American industry and its workers."

"The global economic slowdown has made the U.S. market - the most open in the world - an easy target for foreign producers anxious to dump their product," he continued. "While the President has provided our industry relief in the short- term, we also appreciate his recognition that other issues relating to the global trading system need to be addressed. We support all his initiatives, including worldwide negotiations to deal with production overcapacity and the elimination of market distorting practices such as dumping and excessive foreign government subsidization."

Draeger is Chairman, President and CEO of Carpenter Technology Corporation (NYSE:CRS) in Reading, PA. Carpenter, a member of the Specialty Steel Industry of North America, produces all of the specialty steel products covered in the White House announcement.

According to the White House announcement, tariffs ranging up to 15% will be imposed over a three-year period on imports of stainless steel bar, stainless steel wire rod, and stainless steel wire. Specific tariffs and timelines, which are similar to the recommendations of the International Trade Commission, follow:

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<b>Product</b>	<b>Tariff</b>
Stainless Steel Bar	Three-Year Tariff 15% - 1 <sup>st</sup> year 12% - 2 <sup>nd</sup> year 9% - 3 <sup>rd</sup> Year
Stainless Steel Wire Rod	Three-Year Tariff 15% - 1 <sup>st</sup> year 12% - 2 <sup>nd</sup> year 9% - 3 <sup>rd</sup> year
Stainless Steel Wire	Three-Year Tariff 8% - 1 <sup>st</sup> year 7% - 2 <sup>nd</sup> year 6% - 3 <sup>rd</sup> year

These duties are in addition to existing tariffs in the form of antidumping and countervailing duties currently in effect as a result of previous trade cases on stainless steel bar and wire rod.

The announcement came about after investigation and review of the import situation that was ordered by President Bush nine months ago under Section 201 of the 1974 trade act. The International Trade Commission, the government entity responsible for the investigation, presented its import relief recommendations to the President last December following an intense six-month scrutiny of import levels, U.S. market share erosion, and the financial status of the domestic producers.

The Presidential action also covered another specialty steel product, alloy tool steel. In contrast to recommendations by three International Trade Commissioners, the President decided against any kind of import relief, either tariffs, quotas or a combination of the two, for this product.

The latest industry data show that while imports decreased in 2001 compared to 2000, import penetration increased for three of the four named products. Last year, import penetration ranged between 46% for stainless steel bar to about 80% or more for stainless steel rod and alloy tool steel. Stainless steel wire rod imports captured 79% of the U.S. market in 2001, a 4 percentage point increase. Stainless steel wire import penetration increased 14 percentage points to 51% in 2001 from 37% in 2000.

SSINA is a Washington, DC-based trade association representing virtually all continental specialty steel producers. Specialty steels are high technology, high value stainless and other specialty alloy products. While shipments of specialty steel account for only 2% of all steel shipped in North America, annual revenues of approximately \$8 billion account for 14% of the total value of all steel shipped.

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David A. Hartquist, an international trade attorney with the Washington, DC law firm Collier Shannon Scott, PLLC, serves as lead counsel to SSINA.

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