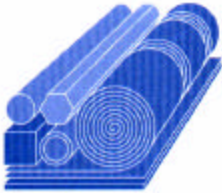


NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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NEW SPECIALTY STEEL DATA REINFORCE NEED FOR TRADE RELIEF

Foreign Producers Rush to “Beat the Clock” on the President’s Decision

(Washington, DC) -- The specialty steel industry struggled through 2001 confronting yet another year of substantial U.S. market share losses to imports, according to year-end data released today by the Specialty Steel Industry of North America (SSINA).

These latest statistics reflect that for the third consecutive year imports captured more than a quarter of the U.S. market with little, if any, variance in the percentages. Total specialty steel imports took a 26% bite out of the U.S. market in 2001, 27% in 2000, and 26% in 1999.

Import penetration for individual product lines in 2001 include 79% for stainless steel rod; 51% for stainless steel wire; and 46% for stainless steel bar. These products currently are under consideration for import relief. The President, in accordance with Section 201 of the trade laws, must decide by March 6 on what, if any, restraints will be placed on steel imports.

Related “flash” or preliminary monthly statistics recently published by the Department of Commerce’s Bureau of Census provide evidence that foreign producers are rushing to dump specialty steel in the American market to “beat the clock” on the Presidential announcement. While preliminary, the statistics reveal that imports in six of the seven specialty steel product lines shot up between December 2001 and January 2002. Imports of stainless steel bar, wire rod, wire and alloy tool steel, all covered by the Section 201 case, shot up dramatically.

The “flash” statistics indicate that total specialty steel imports in January 2002 increased by 15,808 tons, to 73,553 from December’s actual 57,745 tons. Imports of stainless steel, the industry’s largest product line, jumped to 51,649 tons in January 2002, an increase of 10,737 tons over December 2001.

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Said SSINA Chairman H.L. Kephart, "The facts are clear. With the Presidential decision imminent, foreign producers are once again rushing to take advantage of the world's most open market. This is just further evidence that our industry and workers deserve some relief from these mostly unfairly traded and injurious imports."

Last year's recession and economic downslide following the events of September 11 had a negative impact on specialty steel with U.S. consumption dropping off 17%. In 2001, the U.S. consumed 2,701,993 tons of specialty steel, down more than a half-million tons from the 3,266,242 tons of specialty steel consumed in 2000. Stainless steel consumption also dropped 17%, to 2,142,700 tons in 2001 from 2,587,541 tons in 2000.

Specialty steel imports declined 23% in 2001 vs. 2000 and stainless steel imports declined 27%. The declines, however, had virtually no positive impact on twelve-month import penetration for total specialty steel and total stainless steel. (See attached chart for additional information on U.S. imports, consumption and market penetration data in 2001/2000/1999.)

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.

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

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U.S. Imports, Consumption and Market Penetration Data*
For Specialty Steel Product Lines
2001/2000/1999

Specialty Steel Product Lines	Imports			U.S. Consumption			Twelve Month Import Penetration	
	Month Dec. 2001	YTD Dec. 2001	Increase/Decrease YTD 2001-00	Month Dec. 2001	YTD Dec. 2001	Increase/Decrease YTD 2001-00	YTD Dec. 2001	YTD Dec. 2000
Stainless Sheet/Strip	22,495	267,739	-31%	122,314	1,550,899	-17%	17%	21%
Stainless Plate	4,001	46,170	-30%	17,514	230,955	-8%	20%	26%
Stainless Bar	6,083	101,236	-19%	14,263	222,325	-17%	46%	47%
Stainless Rod	5,748	62,149	-24%	6,702	78,526	-28%	79%	75%
Stainless Wire**	2,586	30,617	-1%	3,384	59,996	-29%	51%	37%
Total Stainless Steel*** (Sheet, Strip, Plate, Bar, Rod & Wire)	40,912	507,911	-27%	164,176	2,142,700	-17%	24%	27%
Tool Steel	5,910	72,493	-8%	5,299	76,403	-33%	95%	69%
Electrical Steel	10,923	109,326	-11%	37,550	482,889	-14%	23%	22%
Total Specialty	57,745	689,730	-23%	207,025	2,701,993	-17%	26%	27%

2000 and 1999 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2000	Percent Increase/Decrease	2000	Percent Increase/Decrease	2000	1999
Stainless Sheet/Strip	388,263	-5%	1,875,207	-1%	21%	21%
Stainless Plate	65,622	9%	252,076	1%	26%	24%
Stainless Bar	125,725	44%	267,115	22%	47%	40%
Stainless Rod	82,056	25%	108,910	15%	75%	69%
Stainless Wire**	31,059	26%	84,232	-1%	37%	29%
Total Stainless Steel*** (Sheet, Strip, Plate, Bar, Rod & Wire)	692,726	7%	2,587,541	2%	27%	25%
Tool Steel	78,629	6%	114,227	1%	69%	65%
Electrical Steel	122,654	7%	564,474	10%	22%	22%
Total Specialty	894,009	7%	3,266,242	3%	27%	26%

NOTE: Changes in import penetration are percentage point changes.

* Imports adjusted to exclude hot bands imported for re-rolling and reported under shipments.

** Shipments for 2001 estimated and subject to revision when actual data is received.

*** Shipment and consumption data for these categories may be overstated due to the inclusion of shipments from wire redrawers which are already included in shipments/imports of rod; consequently import penetration may be slightly understated.

Prepared by Georgetown Economic Services for the Specialty Steel Industry of North America