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## **National Steel Coalition Gains Momentum**

*FTSC Members Call for Elimination of Tariffs*

PHILADELPHIA, PA – Calling it one of the most threatening U.S. trade policies in recent memory, members of the Free Trade In Steel Coalition have led a national campaign to repeal the Section 201 tariffs imposed by the President in March 2002. “After the International Trade Commission (ITC) completed its mid-term review of the tariffs imposed upon certain imported steel products and released a report on its findings earlier this fall,” said FTSC Coordinator Dennis Rochford, “it was immediately apparent that steps must be taken to reverse the negative economic impact of the policy on steel handling and consuming industries.”

The FTSC was formed in 2001 in response to the ITC Section 201 global safeguard investigation of steel imports. The Coalition now includes over 80 major U.S. port authorities, terminal operators, local longshore unions, Customs brokers, shipping agents, and other maritime and transportation industry organizations that are concerned about the loss of port and transportation jobs resulting from the Section 201 tariffs. Most recently, various International Longshoreman’s Association locals have joined the Coalition. “This issue is so threatening that it has brought maritime labor and business leaders together,” said Martin Mascuilli, Treasurer of ILA Local 1291 in Philadelphia, who specifically cited the loss of \$3.4 million in wages and fringe benefits resulting from a 29% reduction in steel shipments over the past year in the Delaware River port region. “ILA locals are grateful for the work the FTSC has done to date and are pleased to be a part of the effort,” he said.

Other steel-handling ports have been hit equally hard. The Port of Houston is one of the country’s top steel ports, and according to Wade Battles, Executive Director, Port of Houston Authority, “As a direct result of these tariffs, the Port of Houston has experienced a reduction in steel imports, loss of business revenue, and jobs.” The Port of Houston Authority reported a reduction of 456,468 tons of steel during the period April 2002-March 2003 as compared to the same period the previous year. The ILA in that region lost 33,400 man-hours during the period, or a negative economic impact of approximately \$1.1 million in wages and fringe benefits. “These are more than just numbers on a piece of paper,” said Michael Dickens, ILA District Representative, South Atlantic and Gulf Coast District. “The tariffs have resulted in over 300 individuals leaving the rolls of the ILA and smaller paychecks for the remaining workers to take home to their families.”

The West Gulf Maritime Association (WGMA), which represents 76 maritime firms in the western region of the Gulf of Mexico, asserted that the economic multiplier effect of lost dockworker wages and fringe benefits must also be considered. “The overall economy loses six dollars for every one dollar lost on the waterfront,” stated Walter A. Niemand, President and CEO, WGMA. Therefore, the aggregate loss for all ports represented by WGMA is estimated to be \$6.6 million.

The September 19 ITC mid-term review clearly states that steel imports constitute a significant portion of trade tonnage in the major steel importing ports and recognizes the negative effects of the tariffs on port and labor interests. The ITC referenced a comprehensive economic study prepared by Martin Associates, commissioned by the FTSC in 2001, which concluded that more than 38,000 direct, induced and indirect U.S. jobs were dependent on the handling of imported steel products.

“Steel products are among the key commodities we handle at the Port of New Orleans, and our members have been greatly disadvantaged by the President’s policy,” said James Campbell, President of ILA Local 3000 in New Orleans. A recent review shows that local International Longshoreman’s Association members have suffered a reduction of approximately 25% in hours worked handling general cargo, the majority of which involves steel shipments. The port has seen steel tonnage decrease from 1,925,000 tons in 2001 to 1,361,000 tons last year – a loss of over 500,000 tons, or 26% of the tonnage during the period. “Over 40% of the port’s revenue is derived from the steel trade,” said David P. Schulingkamp, Chairman of the Board of Commissioners of the Port of New Orleans, “and the ripple effect of these tariffs has been extremely harmful to our region, affecting not only port operators and stevedores, but also the steamship companies, Customhouse brokers, tug companies and the host of other businesses whose economic livelihoods are dependent upon this trade.”

In its letter to President Bush, the Coalition stated, “While we recognize it is certainly not your intent to cause job loss or to harm the international competitiveness of steel-related industries, this is in fact an unfortunate side effect of the policy as it now stands. We ask that you re-examine the effects of the tariffs and terminate the program.” Unless the President takes action to repeal the tariffs now, they will stay in effect until March 2005. Rochford said the Coalition will continue to work with the Consuming Industries Trade Action Coalition (CITAC), the Texas Free Trade Coalition (TFTC), and other interested groups to protect a strong steel trade.

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