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FOR MORE INFORMATION, CONTACT:  
**Dennis Rochford at (302) 377-2704 or**  
**John C. Martin at (717) 295-2428**

## **CURBING STEEL IMPORTS WILL HARM AMERICA'S FARMERS**

*Costs to farmers will increase if the number of ships that arrive with foreign steel and depart with domestic agricultural products is reduced through major increases in imported steel tariffs.*

WASHINGTON, D.C. – One day before the U.S. Department of Agriculture released its Farm Income estimate, members of the Free Trade in Steel Coalition met yesterday with the U.S. Trade Representative's Trade Policy Staff Committee to discuss the impact of possible imported steel tariffs. While protecting domestic port and transportation jobs is the focus of the Free Trade in Steel Coalition's efforts, imported steel restrictions proposed would also adversely impact the American farmer.

Representatives of the Free Trade in Steel Coalition present at the meeting included Dennis Rochford, President of the Maritime Exchange for the Delaware River and Bay; R. Adam McBride, Executive Director of the Port of Wilmington, Delaware; John J. Jaskot, representative of the Port of New Orleans; John Martin of Martin Associates; and Donald deKieffer and Frank Orban of deKieffer & Horgan. They met with representatives from the Departments of Commerce, Treasury, State, Labor, the Council of Economic Advisors, Justice, and the Office of the U.S. Trade Representative which chairs the committee. "Meeting with this cross-section of representatives of the federal government was an excellent opportunity for the Coalition to showcase its mission," said Coalition coordinator Dennis Rochford. "We were also able to stress that more than domestic steel jobs are at stake."

The Free Trade in Steel Coalition represents nearly 40 major United States port authorities, port terminal operators, and other U.S. port and transportation industry organizations that are deeply concerned about possible loss of U.S. maritime related jobs resulting from the U.S. International Trade Commission (ITC) Section 201 global safeguard investigation. A November 2001 economic study performed by Martin and Associates shows that more than 38,000 direct, induced, and indirect jobs for

U.S. residents in 2000 were dependent upon the handling of imported steel products. In addition, \$1.7 billion of direct business revenue provided to the port and inland transportation industry in 2000 for the handling and movement of imported steel products is at stake.

With crop prices at record lows and the USDA reporting that farm earnings will drop nearly 20 percent this year, the Free Trade in Steel Coalition raised the issue of overseas shipments of domestically produced agricultural cargo. According to Martin's recently released study entitled "Economic Impact of the Export of Grain on the Marine Transportation System and the Potential Impact of Steel Import Restrictions," over 100 million metric tons of grain were exported via U.S. ports in 2000. In many cases, ships arriving with imported steel backhaul exports of grain. If the proposed quotas and tariffs are put in place, the number of available ships will be reduced. "This will result in the increase of grain export shipping rates," said John Martin, "a cost which will be borne by the American farmer." For those grain shipments without backhauls, ocean shipping rates could increase from 37 to nearly 55 percent throughout the U.S.

According to Rochford, "The Free Trade in Steel Coalition is not opposed to providing assistance to the domestic steel industry; rather, we believe there are methods available to resolve the problems facing the domestic steel industry without adversely affecting port and transportation jobs throughout the United States." Remedies favored by the Coalition include adjustment assistance, tax benefits, legal facilitation of industry consolidation, or financial support for the burden of industry legacy costs, but not the imposition of tariff, quota or other import restrictions that would substantially injure and destroy these key maritime jobs in the American economy.

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