STEEL AVAILABILITY

Between LTV’s filing for bankruptcy and Bush’s imposition of tariffs on steel imports, it’s been a busy few weeks for reporters. Amazingly, most of this news has actually had no impact on the building market.

Today, almost all domestic wide flange is produced by the so-called mini-mills. These mills use electric arc furnaces to recycle scrap into building products—including wide flange, angles, channels and other miscellaneous shapes. Two major players, Nucor-Yamato Steel and TXI-Chaparral, currently dominate the structural steel market. Both of these companies are on strong economic footings (in fact, Nucor Yamato is on record as opposing the integrated mills request for a federal bailout!).

Another question has arisen about the domestic supply of structural steel. If anything, we should soon be seeing an increasing supply of wide flange for construction. Beginning in May, a third major mill—Steel Dynamics—will come on line. (As a side note, a group of us from AISC had the opportunity to tour the mill last month. It was a great opportunity to poke our noses into places that are normally inaccessible—such as climbing inside a furnace!)

The tariffs are another interesting situation. It has been widely misreported that construction costs will rise as a result of these new tariffs. The truth is that the tariffs don’t apply to wide flange and other structural steel for building construction. Thus, the tariffs should not affect steel construction (though there is a 15% tariff on rebar, so I’m uncertain of the impact on concrete construction).

COMING TO NASCC!

Back in February, I recommended that everyone should be in Seattle from April 24-26 to attend the North American Steel Construction Conference (it’s too late to pre-register, but you can still come and register on-site) and I asked people why they might not attend. Almost all of the responses indicated the difficulty of getting to Seattle and several people wanted to know why we don’t have the show more centrally located. Typically, we try to move the conference around the U.S. (and Canada) so that if nothing else, everyone would have convenient access at least every few years. In addition, the theory is that for those who attend regularly, the change in venue adds some additional interest.

And even though Seattle might be a tad out of the way, I hope to see you there!