Testimony of Larry W. Williams, Executive Director, Steel Framing Industry Association
Presented to the Office of the United States Trade Representative
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The Steel Framing Industry Association (SFIA) represents companies in the United States that manufacture, distribute, design, and install 80 percent of cold-formed steel framing products in the United States. Cold-formed steel framing is integral to the construction of more than 30 percent of the nation's nonresidential buildings. There are nearly 50,000 employees of SFIA member companies and a like number whose businesses are built around these companies and the use of cold-formed steel framing.

The market for construction products is extremely competitive, and frequently the purchase decision is made according who is the lowest cost provider. Cold-formed steel framing is fabricated from hot-dipped galvanized sheet steel, and since the announcement of the Section 232 tariffs SFIA manufacturer members have seen the cost of domestically produced steel increase by 40 percent.

We have evidence that cold-formed steel products are being fabricated in China and shipped into in California and Nevada for sale at below current market prices. Recent inquiries received by my office from entities in the Northeast causes concern that this circumvention of the Section 232 tariffs may become widespread unless some action is taken.

What should be further troubling to all present is the knowledge that independent third-party tests find that not all of the foreign fabricated steel meets the minimum industry standards or building code requirements that ensure that buildings are safe for all occupants. Cold-formed steel framing is often used as a structural element in buildings up to 12 stories in height, so there is considerable risks from any product not meeting industry standards.

Chinese steel entering the US as cold-formed steel framing is still Chinese steel. My manufacturer members report that they have significant manufacturing capacity available to serve current market needs, and in some cases are operating well-below healthy production rates. The prospect of having to unfairly compete with foreign manufacturers who are doing an end-run
around this country's trade restrictions represents a real and significant risk to SFIA member companies and their employees.

According to guidance provided under the provisions of Part 177 of the US Customs Regulations, the current rate of cold-formed steel products, specifically from India and China, is "duty free." Because of the potential economic damage to the domestic cold-formed steel framing industry, the Steel Framing Industry Association requests that retaliatory duties also be applied to imports under item 7216.61.0000 and 7216.91.0010, HTSUS.

Thank you for your consideration.

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