



Consuming Industries
Trade Action Coalition

www.citac-trade.org

December 2001

CITAC Connections

ACTIVITIES IN DECEMBER

CITAC continued to promote the concerns of consuming industries in trade policy formation on many fronts.

The CITAC Team:

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Capitol Hill/Administration Initiatives

- *House/Senate* – CITAC met with two Members of the House concerning the Transparency and Fairness Trade Act (H.R. 2770). In addition, one highly respected democrat agreed to be a co-sponsor.
- *Steel 201 Investigation* – The International Trade Commission (ITC) issued remedy recommendations that ranged from tariffs of 8% to 40%, to tariff rate quotas (with various ranges of tariffs and quotas) and straight country-specific quotas.
- CITAC commissioned an economic analysis of the effects of the recommended remedies on the economy generally, and downstream industries specifically. It generated the following results:
 - As many as 74,500 lost jobs, compared to 8,900 steel jobs protected, which translates to eight jobs lost for each steel job preserved.
 - Higher import prices and other inefficiencies costing consumers \$4 billion a year, and decreasing U.S. national income by \$1.4 billion a year.
 - An estimated cost to consumers of \$451,500 per steel job protected.
 - Significant net job losses even in the “Steel Belt.”

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Following the release of the study, CITAC informed every House Member about its results, as well as the number of constituents in their states who could lose their job. CITAC also mailed copies to every member of the inter-agency Trade Policy Staff Committee (TPSC), which will review the ITC’s recommended remedies. Additionally, CITAC requested meetings with the staff members of the

TPSC. CITAC submitted a formal request to the U.S. Trade Representative (USTR) to appear at the TPSC hearings January 7-9, 2002.

Press Activities

CITAC sent out four Press Releases this month. On December 5, CITAC sent out a release on a CITAC letter sent to USTR Robert Zoellick congratulating him on the successful launching of a new round of multilateral negotiations and committing to support the Administration on Trade Promotion Authority (TPA). Also on December 5, CITAC sent out a release regarding the announcement of consolidation in the steel industry. Subsequent to the ITC announcement of remedy recommendations in the steel investigations, CITAC issued a Press Release expressing disappointment with the ITC's decisions. Finally, on December 17, CITAC alerted the press to the results of the CITAC study that analyzed the economic effects of the ITC recommendations.

Other Efforts

Laura Baughman testified and made recommendations at an ITC hearing regarding its study of the impact of significant import restraints on the United States.

CITAC's Chairman Jon Jenson was interviewed on *Business Nightly Report*, a PBS television program, following the ITC's remedy recommendation announcement.

Immediately prior to the TPA vote in the House of Representatives, CITAC sent out a blast fax on why legislators should support TPA. CITAC also sent out a fax to Congress regarding the steel industry's legacy costs, and why consumers should not have to foot the bill.

CITAC IN THE NEWS...

CITAC received wide press coverage this month.

- *PR Newswire* (December 7); *States News Service* (December 7); *Reuters* (December 7);

Charleston Daily Mail (December 8); *The Washington Post* (December 8); *Pittsburgh Post-Gazette* (December 8); *Charleston Daily Mail* (December 8); *The Baltimore Sun* (December 8); *Australian Financial Review* (December 8); *The Plain Dealer* (December 8); *Business News Americas* (December 10); and *Engineering News-Record* (December 17): CITAC's reaction to the ITC's remedy recommendations in the 201 steel investigation.

- *Los Angeles Times* (December 5); *The New York Times* (December 6); *The Wall Street Journal* (December 6); *The Bulletin's Frontrunner* (December 6); and *Allentown Morning Call* (December 16): CITAC's reaction to the proposed company consolidations announced by several steel companies and real problems in the steel industry.
- *The Associated Press* (December 5); *Associated Press* (December 5); and *The Recorder* (December 14): Reporting on the news of the government's payments under the Byrd Amendment, and CITAC's response.
- *Reuters* (December 18); *Houston Chronicle* (December 19); *BNA* (December 19); *Business News Americas* (December 19); *Business News* (December 20); *Charleston Gazette* (December 20); *Pittsburgh Post-Gazette* (December 20); *Korea Times* (December 21); and *Sao Paulo newspaper* (December 21): Reporting on CITAC's economic analysis and study on the remedies recommended by the ITC in the steel investigation.
- *The Orange County Register* (December 11); *The Gazette* (December 12); and *Automotive News* (December 17): Citing CITAC's original economic study on steel quotas and import restrictions.
- *Los Angeles Times* (December 2): CITAC's views on some of what is wrong with U.S. trade laws.
- *The Plain Dealer* (December 2): Article on the numerous steel bills pending in Congress.
- *World News* (December 20): Reporting on Laura Baughman's participation in the ITC hearing on its study of the economic effects of US import restraints.