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October 7, 2003

Mr. James J. Jochum,  
Assistant Secretary for Import Administration,  
U.S. Department of Commerce,  
Central Records Unit, Room 1870  
Pennsylvania Avenue and 14th Street, NW  
Washington, DC 20230

Attention: Treatment of Section 201 and Antidumping Duties.

Dear Assistant Secretary Jochum:

As a steel consumer, Alpine Engineered Products Inc. with its 500 employees has suffered both business and financial losses resulting from the Section 201 steel tariffs imposed by the Bush Administration in 2002. Unless these tariffs are removed, many unintended, adverse conditions will continue and the proposed rules will only exacerbate their impact. The losses to Alpine include:

- Our steel costs increased approximately 30 percent over the last 18 months. While we have passed along some of these costs to our customers we honored all pre-existing customer pricing contracts. As a note, all of our steel suppliers have broken contractual agreements with us in the past.
- We have historically purchased material from both U.S. and foreign suppliers to meet steel requirements, diversify our supply base, and obtain the most competitively priced steel available to us. However, since enactment of Section 201, foreign sources are hesitant to supply us.
- We realized a supply shortage as we were put on allocation with some of our steel suppliers and could not obtain foreign material. Our customers were negatively impacted, as we could not provide finished goods to meet their timing requirements.

- The majority of our products are used for residential building structures. The costs of higher steel and late deliveries are impacting not only our company, but also our customers – the truss manufacturers, and the end consumer – the American home buyer.


Alpine Engineered Products supports free trade and is opposed to artificial restrictions on steel imports. It is our understanding that several parties are now advocating that the Department deduct countervailing duties, as well as duties imposed under section 201 of the Trade Act of 1974 (section 201 duties), from export price (EP) and constructed export price (CEP) in calculations of dumping margins pursuant to sections 772©(2)(A) and 772(d) of the Tariff Act of 1930, as amended (the Act).

We strongly and completely oppose this proposal because:

- It is our understanding that the proposal to deduct countervailing duties and section 201 duties from United States price in a dumping margin calculation would cause a far greater portion of product sales to the U.S. to be considered to have been “dumped”, and products already viewed as “dumped” will see a substantial increase in their dumping rate.
- The intent of a countervailing duty is to offset any subsidy provided by a foreign country—essentially to equalize any advantage that has been created. To do what is proposed to calculate a new duty will result in a double penalty for imported products that we need to manufacture steel products for the US market.
- We should not be artificially altering current U.S. policy and rules to protect a fairly small number U.S. steel industry producers.
- Finally, such a change can only threaten one sector of the economy
- construction—which has been one of the strong sectors in our economy and continues to show strength. Our industries are very dependant on the construction economy to maintain our revenues and employment base. Tariffs and quotas on steel imports serve only to drive up the cost of these products for our suppliers. In turn, the increase in cost ultimately is passed down to our industry, who must pass the increased cost to their customer and eventually to the ultimate buyer. This action threatens to undermine our current economic recovery.

This proposal is fundamentally flawed trade policy. From our perspective, it is imperative that a resolution of the steel trade dispute be found as soon as possible. The Section 201 tariffs and this proposal affect this process, with significant cost to all parties involved.

Respectfully submitted,



Chris Cronje  
President and C.E.O.