

RESOLUTION 010601

Urging the President George W. Bush and the United States Congress to take emergency actions and enact measures to respond to the crisis facing the domestic steel industry.

WHEREAS, LTV Steel and its predecessor companies have been a vital part of the economic landscape of Greater Cleveland and Ohio for generations and the continuing strength and prosperity of our local communities are inextricably tied to the success of the company.

WHEREAS, the steel industry, important to the community and regional economy, is now in jeopardy.

WHEREAS, along with the Cuyahoga County Commissioners, representatives from labor, business and government at all levels have united to support LTV Steel and recognize the importance this industry has in our community.

WHEREAS, LTV Steel's estimated total impact on Ohio's gross state product is over \$2.0 billion and LTV employs 5,200 Cuyahoga residents and 6,000 Ohioans.

WHEREAS, an estimated 12,970 additional Cuyahoga County jobs and 27,020 additional jobs statewide are dependent on LTV operations and employees. These jobs fall into a wide range of industry sectors including manufacturing, construction, transportation, public utilities and retail and wholesale trade, and generate over \$1.1 billion dollars in wages.

WHEREAS, LTV Steel pays \$338 million dollars in annual wages and salaries and \$68 million dollars in benefits to current employees in Cuyahoga County, which amounts to \$406 million annually in compensation expenditures. Statewide, LTV Steel pays \$430 million dollars in annual wages and salaries and approximately \$85 million dollars in benefits to current employees, which represent a total compensation of over \$.5 billion annually.

WHEREAS, LTV Steel annually purchases \$1 billion in goods and services from 1,600 Ohio companies and the nation's auto, truck and related parts manufacturers depend on LTV for approximately 14% of the steel used in their operations.

WHEREAS, local charitable contributions in Greater Cleveland from LTV and its employees totaled over \$1.9 million in the year 2000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Cuyahoga County Commissioners hereby urges President of the United States and the United States Congress to take emergency actions and enact measures to respond to the crisis facing the domestic steel industry. These actions are intended to provide for a period in which the domestic industry can recover from the effects of an unprecedented flood of apparently illegally traded foreign steel, develop and implement restructuring plans to adjust to global competition and create a level playing field for future competition based on product quality, service and cost.

BE IT FURTHER RESOLVED that the these actions should include the following components:

1. Using all appropriate remedies to immediately limit the saturation of the U.S. domestic steel market by apparently illegally traded foreign-made steel to levels existing between June 1994 and June 1997 ("pre-crisis levels"). These measures may include:
 - a. An Administration-Initiated action under Section 201 of the Trade Act of 1974
 - b. An Administration-Initiated quantitative restraint under Section 232 of the Trade Expansion Act of 1962 and/or the International Economic Emergency Powers Act (IEEPA)
 - c. Congressionally enacted temporary quantitative restraint legislation
2. After years of apparently illegally traded foreign steel, the U.S. steel industry has suffered rapid contraction and today can supply only about 80% of the steel needed to supply domestic demand. Consequently, many domestic steel producers must shoulder disproportionately high costs related to retiree health care benefit costs, creating financial burdens that threaten the viability and continued existence of the companies. The "Legacy" problem is linked to the government's apparent tolerance of illegal trade in steel. European and other nations have participated in solving the legacy cost problems related to

restructuring their steel industries. Action is now required to find a solution that deals with legacy costs in an equitable fashion in the United States.

3. As a result of the financial damage done to the U.S. steel industry by apparently illegally traded imports, few lenders are willing to loan money to steel makers--even with federal loan guarantees. The Steel Loan Guarantee Program must be modified to assist steel makers in gaining access to resources for reinvestment and restructuring. The modifications could include extending of deadlines, increasing available funding, increasing guarantee limits, and reforming terms to be more responsive to emergency circumstances.
4. Following implementation of these emergency actions and related restructuring of the industry, the U.S. government shall vigorously enforce all existing laws governing international trading of steel. To accomplish these measures the U.S. Department of Commerce should be required to ensure sufficient resources are dedicated to effectively track and enforce compliance with U.S. trade laws and agreements and to coordinate inter-departmental activities aimed at enforcement of such laws and agreements.

AND BE IT FURTHER RESOLVED that the Clerk of the Board be, and she is, hereby instructed to transmit one copy of this resolution to the offices of President George W. Bush, Vice President Richard Cheney, Senator Majority Leader Trent Lott, Speaker Dennis Hastert, U.S. Senators Mike DeWine and George Voinovich, U.S. Representatives Sherrod Brown, Dennis Kucinich, Steven LaTourette, Michael Oxley, Ralph Regula, Thomas Sawyer, Stephanie Tubbs-Jones, Governor Robert Taft, each of the members of the Cuyahoga County delegation in the Ohio Senate and Ohio House of Representatives, each of the mayors of the municipalities, villages, and townships within Cuyahoga County, the County Commissioners Association of Ohio, Office of the United States Trade Representative Ambassador Robert Zoellick, Secretary of the United States Department of Commerce Donald Evans, and the Offices of United Steel Workers of America.

On Motion of Commissioner Campbell, seconded by Commissioner Dimora, the foregoing resolution was duly adopted.

Ayes: Campbell, Dimora, McCormack.

Nays: None.

Resolution Adopted

Marjorie J. Pettus,
Clerk of the Board

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