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SMA tries to figure out White House

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WASHINGTON --The Obama administration's stance on cap-and-trade legislation, labor policies and trade were on the minds of more than 70 steel industry executives at the opening reception at the Steel Manufacturers Association (SMA) annual members conference in Washington.

"They are trying to understand the new administration, like we all are," SMA president Thomas Danjczek said. "Whether it be greenhouse gases, 'card check,' health care or trade, there are things that are going to occur during this meeting that might help them do that. The Secretary of Commerce (Gary Locke) is coming, the chairman of the Federal Energy Regulatory Commission (Jon Wellinghoff) is speaking and, finally, we have a congressional breakfast with over 35 members of Congress."

While economic recovery was on everyone's mind, cap-and-trade was the elephant in the room. As the American Clean Energy and Security Act climate change undergoes mark-up this week by the House Energy and Commerce Committee, many wondered what the eventual cost of climate change will be for steel.

Keith Busse, chairman and chief executive officer of Steel Dynamics Inc., Fort Wayne, Ind., believes most of the talk at the SMA meeting will focus on cap-and-trade and its impact on jobs, and card check.

"If (cap-and-trade) moves at all this year it will be a huge burden for society. We are not ready for it. It's a tough subject," Busse said. As for card check, "we all have to step back and wonder about policy that dictates without a fair trial."

Steel leaders are concerned about two onerous provisions in the card check legislation, known formally as the Employee Free Choice Act—the elimination of the secret ballot when voting on unionization, and binding two-year contracts imposed by an outside appointed arbitrator for labor disputes.

"I think anytime you are operating in an environment where you don't have full disclosure it's a bad thing," Busse added.

He said that with the current conditions in the steel industry, not everyone will survive. While Busse believes that ultimately a smaller group of steelmakers will emerge when the economy recovers, it's anyone's guess who those players will be. "I can't tell you now who that will be, but it will be a smaller, more vibrant industry. I think we know how to survive. We will survive."

Busse added that there are a lot of projects ready to go, but people can't get credit. Freeing up credit would get the economy moving again, he said.

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