

**Department of Legislative Services**

Maryland General Assembly

2002 Session

**FISCAL NOTE**Senate Joint Resolution 22 (Senator Stone, *et al.*)

Finance

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**The Domestic Steel Industry**

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This joint resolution urges President Bush to take swift action to implement a 40% tariff rate for four years on the full range of steel products where the United States International Trade Commission has found injury and recommends a 40% tariff. The resolution also urges the President to take any additional steps to rebuild a strong and globally competitive national steel industry.

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**Fiscal Summary**

**State Effect:** None. Compliance with the joint resolution would not directly affect State finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement.

**Background:** On March 5, President Bush announced that the United States will impose a 30% tariff on some imported steel products, as well as lower tariffs (8-15%) on

stainless steel, rebar, and related materials. The tariffs, which will last for three years, are part of a federal assistance package for restructuring the steel industry that includes training grants and health insurance aid for steel workers. According to the U.S. International Trade Commission, firms accounting for 30% of the U.S. steel industry have filed for bankruptcy since 1998. Bethlehem Steel, which operates the largest steel plant in Maryland, has filed for bankruptcy under Chapter 11. Its Sparrows Point facility in Baltimore County employs about 3,600 workers. Twenty-two steel companies operate in Maryland, including 11 small businesses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Business and Economic Development,  
Department of Legislative Services

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