

This month's product promotions, company news and more.



Welcome Back!

Welcome to the August edition of "In The Know With Ohio Valley Drywall Supply." We're glad to connect with you again!

This month we're focusing on the Section 232 investigation and how it may affect steel prices. If you have additional questions or wish to discuss it with a professional, please [contact us at one of our yards](#).

Section 232 Investigation



What Is The Section 232 Investigation?

In April of this year, the United States launched a national security investigation on steel imports as a Section 232 investigation. Section 232 investigations are rarely utilized, but here are some of the facts:

- They are initiated by either the U.S. Department of Commerce or at the request of the president
- They are conducted by the Secretary of Commerce
- They are meant to examine how the United States' reliance on certain imports would affect the country during times of war (when international trade may be restricted)
- They have resulted in only two import restrictions so far - a crude oil embargo for Libya in 1982, and an Iranian oil embargo in 1979

As of right now, there is no decision from the White House or Department of Commerce on whether or not tariffs will be imposed on imported steel.

What Happens Next?

Initial deadlines for a decision were set for June but have been missed. The investigation is said to be in its final stages as of late July.

A spokesperson for the Commerce Department stated that "a key report in the U.S. Commerce Department's Section 232 investigation into steel imports is nearly complete." Therefore, industry professionals and building suppliers are watching daily for a decision.

It may be worth noting that escalating tensions between the U.S. and China - which broke records in June for its steel and aluminum production - seem to predict that new tariffs are on the horizon.

How Are Steel Prices Being Affected?

There have already been some preliminary effects rumbling through the industry despite the lack of a decision on the investigation. Raw steel prices are beginning to rise across all metal framing manufacturers. This is due to a decreased raw material supply along with the anticipation of tariffs on new orders. As one example, ClarkDietrich announced a 10% price increase that went into effect on July 17, 2017.

The challenge is that foreign shipments often have a three to six month lead time. So materials that are already in the import pipeline may be subject to tariffs when they finally arrive, and manufacturers are scrambling to protect themselves against unexpected costs.

Where Can I Get More Information?

Here are some places to keep track of this investigation or learn more about it.

- **The U.S. Department of Commerce** maintains several documents, transcripts, press releases, FAQs and fact sheets related to the investigation. [Read the Department of Commerce documents.](#)
- **Metal Miner** is a good resource for all types of metals, including the global market. You can follow the Imports section to read updates related to the investigation as they arise. [Read the Metal Miner Imports section.](#)
- **Reuters** offers up a good article on how U.S. steel tariffs will likely trigger a response in the European Union. [Read the article.](#)

For more information about Ohio Valley Drywall Supply, including our services and product offerings, [visit our website.](#)

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With two yard locations, just outside of Pittsburgh, PA and Wheeling WV.