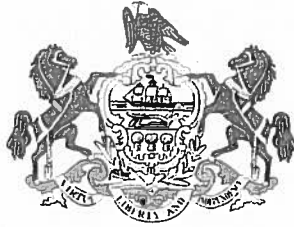


JOHN C. BEAR, MEMBER  
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## MEMORANDUM

TO: All House Members

FROM: Rep. John C. Bear *JCB*

DATE: October 28, 2011

SUBJECT: **Proposed legislation - Steel Products Procurement Act**

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The Steel Products Procurement Act was enacted in 1978 in an effort to help preserve jobs in the steel industry throughout the Commonwealth. The Act requires all public bodies, including the Commonwealth, its political subdivisions, and authorities, to include a provision in all publicly funded construction contracts, which require the use of steel products, that only steel products manufactured in the United States may be used.

The original definition of 'steel product' in the Act included all steel products that were forged, rolled, poured, extruded and cast steel. In the late 1990's the definition was expanded to include all equipment and machinery containing steel components. Such equipment and machinery includes lighting fixtures, panel boards, speakers, amplifiers, heat pumps, chillers, evaporators, heaters, dehumidifiers, fire alarm systems, security systems, sound systems, lighting control systems and water treatment systems, among others.

After several years of working with contractors and public agencies that must comply with the Act, it has become clear that the application of the Act to machinery and equipment is no longer feasible. Presently, very few machinery and equipment manufacturers track the origin of the steel they use to make their products and many of the machinery and equipment items that are required for construction are no longer produced in the U.S. Ultimately, the application of the Act to machinery and equipment results in increased contract costs, construction delays, and potential failure to comply with the Act.

To address this problem, I have met several times with representatives from the United States Steel Corporation and United Steelworkers and have received the support of the Department of General Services, Associated Builders and Contractors, the Mechanical Contractors Association (PA Chapters), the Sheet Metal Air-Conditioning Contractors Association (PA Chapter) and the Plumbing Contractors UAC Local 690.

Accordingly, in the near future, I will be introducing legislation that will preserve the application of the Steel Products Procurement Law to rolled, formed, shaped, drawn, extruded, forged, cast, and fabricated steel and repeal its application to equipment and machinery. If you would like to co-sponsor this proposal please contact Debra Brehm at (717) 787-1776 or [dbrehm@pahousegop.com](mailto:dbrehm@pahousegop.com).