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Transport Troubles

By Jim Stavis

If it wasn't hard enough just finding enough steel to service customer needs, the challenge we now face is getting steel shipped out from the producing mills. It may seem like the easiest part of the transaction should be getting it from point A to point B, but there are many factors that have made this process a problem.

For domestic produced steel, where the majority of products are now made, it's a railcar shortage that has left material stacked up at the mill waiting to be shipped. A few years ago when the domestic industry was creeping along, the railroads responded by pulling unused railcars off their tracks. Now with the steel industry enjoying a

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Transport Troubles

(Continued from Front)

resurgence, there are not enough railcars to move the steel that customers are now demanding. As a result, steel mills are being forced to use more truck and barge transport whenever possible.

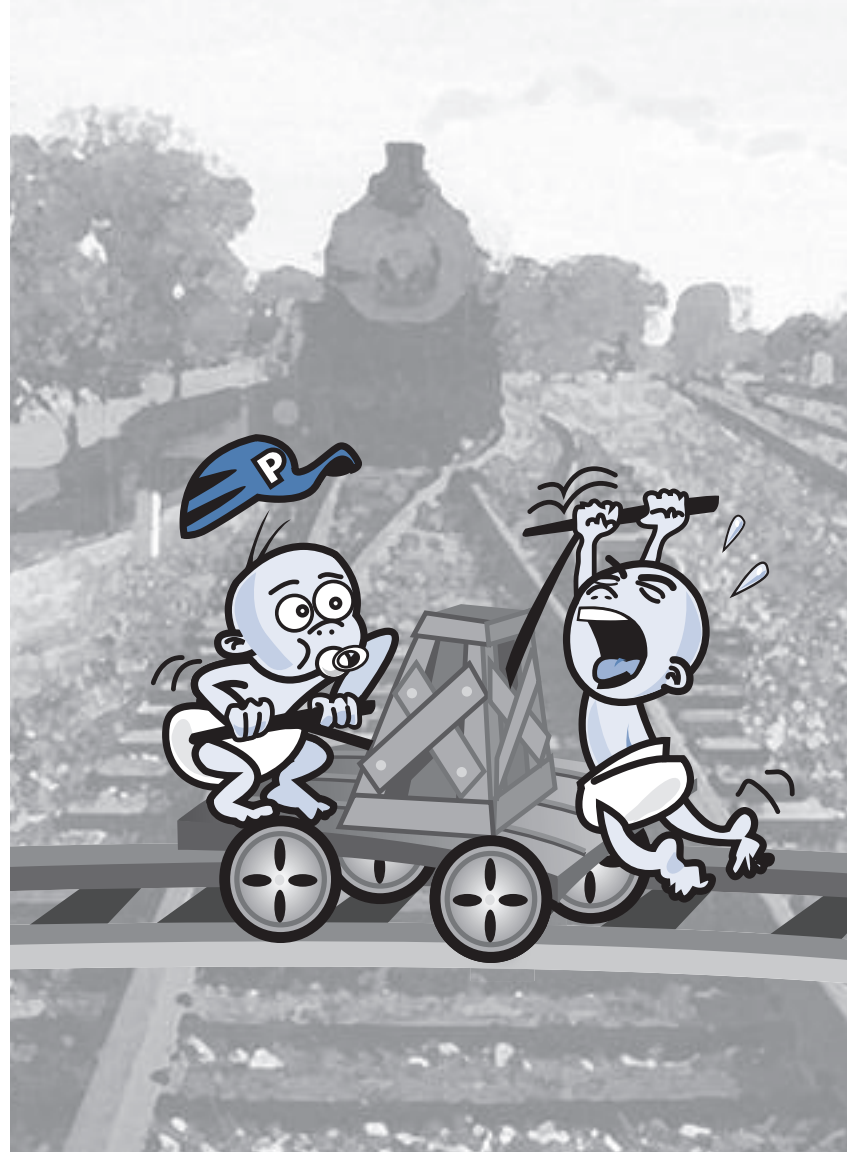
The situation has put a pinch on steel buyers who are seeing extended lead times for receipt of their steel. These delayed lead times should extend through the rest of this year. The problem with truck shipments is the increasing cost of fuel and an aging highway system that makes shipping more dangerous. In Los Angeles the freeways are jammed with commuter traffic that makes truck shipment all the worse.

On the west coast, we rely on the port located in Long

Beach for the majority of imported steel products.

There too has been a shortage of ships for the hauling of raw materials as China has taxed the world's supply of ocean freighters. The number of vessel movements is up nearly 20% over last year. The vessel manufacturers cannot build them fast enough to keep up with the rising demand.

The steel industry relies upon a cost-effective and efficient transportation industry to bring their products to market. Unlike Fed-X or UPS, there is no transportation leader that we can turn to when products require expedited delivery. We are somewhat at the mercy of the producing mills and their railway alliances. It is indeed a system in need of change. ■



What a Difference a Century Makes

Here are some wild statistics of where we were 100 years ago in 1904.

- The life expectancy in the U.S. was 47 years (that counts me out).
 - Only 8% of homes had a telephone (more today have cell phones)
 - Only 14% of homes had a bathtub (who takes a bath anyway)
 - There were only 8,000 cars in the entire U.S. (a light day of traffic in L.A.)
 - There was only 144 miles of paved road and the speed limit was 10 MPH (probably less accidents too)
 - With only 1.4 million residents, California was the 21st most populated state in the union (can we go back to that?)
 - The average wage in the U.S. was between \$200 and \$400 a year (but think how low taxes were)
 - The average wage was 22 cents an hour (talk about your minimum wage!)
 - Sugar cost 4 cents a pound, eggs were 14 cents a dozen and coffee was 15 cents a pound (pre-Starbucks).
 - The American flag had 45 stars since Oklahoma, Arizona, New Mexico, Hawaii and Alaska were not states yet (thank God we got Hawaii)
 - The population of Las Vegas was 30 people (I hope they have invested in property there)
 - 20% of adults could not read or write. Only 6% of all Americans graduated high school (Keep that one from your kids)
- There were no televisions, airplanes, AOL, etc. In fact there weren't a whole lot of things that we take for granted today. Think of where we will be in the next 100 years.