

# MISSION IMPOSSIBLE AND THE AMERICAN STEEL INDUSTRY

I was recently on a flight to Atlanta for business and I found myself watching one of those *Mission Impossible* movies—you know the ones with Tom Cruise. I do not want to date myself, but I fondly remember the original *Mission Impossible*, the television version with Peter Graves. Anyway, I've never been a fan of the series, as I'm more of a James Bond kind of guy. Tom Cruise and his team are on their heroic mission to save the world. They undertake one action sequence after another using their daring wits, flirting with constant danger, utilizing elements of disguise and technology to ultimately complete the mission. It does get pretty confusing along the way. I've heard that it's even been referred to as "Mission Incomprehensible" by some. However, I suppose if you're looking for an escape, this one works as well as any.

"So where's the American steel analogy?" you wonder. I was thinking that if Tom Cruise could save the world, perhaps he could save the American steel industry. I mean, wouldn't that be great? Unfortunately, according to many, that mission really is impossible. The American steel industry has too much reality working against it for it to overcome the odds of coming back. Indeed, steel distribution is certainly here to stay, as there are many manufacturers still utilizing steel in their products and construction is not going anywhere. But let's face it: The world has surpassed America in terms of making inexpensive steel—plain and simple. There was a time not too long ago where it was said that what was good for steel was good for America. Then, I think it was IBM, and now it's Google or Facebook. Do you know how many steel mills have been built here in America

over the past 10 years? There have been zero. The only ones that have been built are mini-mills, which create new steel out of scrap. Meanwhile, China doubled their steel capacity since 2000 and will double it again within the next year or two. Currently, China produces over half the steel used on the planet—much of which they use for themselves. We need Tom Cruise to take on that mission.

Seriously, though, this really is cause for concern. An America that cannot provide its own steel for our defense, for our infrastructure and for critical industries such as automobile and construction will never progress in the 21<sup>st</sup> century. It is hard enough watching our manufacturing base being chipped away, but we must realize the importance of a healthy domestic market that is fundamental to our standing in the world. I know I'm starting to echo Donald Trump, but it's true, and what are we going to do about it? As a west coast distributor of metals, we see steel coming from virtually every corner across the globe. The quality gap between foreign-made steel and ours used to be great, but this is no longer true. We now have customers requesting imported steel and that is alarming for a number of reasons.

Politicians tell us that this trend cannot nor will not continue; that American Steel will return to its glory once again. Through technology and innovation, America will rise as we always have. I would certainly wish for this to be the case, but I wonder what it will take for it to happen. Mission Impossible? I hope not. This newsletter, however, will self-destruct in 30 seconds!



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NOVEMBER 2016 NEWSLETTER



*Our Thanksgiving Message*  
By Jim Stavis



# Our Thanksgiving Message

November, for whatever reason, is the month for saying "thanks." I would think December would be the better month, since that is when all the gift giving occurs. Perhaps we say "thanks" in November as a preview of what's to come in December. Anyway, it is what it is. Ask the Pilgrims—they got this whole thing started back in 1620. According to the history books, about 100 Pilgrims from England ventured over here to what is now America aboard a ship called the Mayflower. It arrived at Plymouth Harbor at Cape Cod, Massachusetts. Had they arrived in September...well, you get the point.

Along this line of thinking, it was 11 years ago this month when I received my three donated organs (heart, kidney and pancreas). I celebrated those particular Thanksgivings with a special level of gratitude, knowing that without those life-saving organs, I would not be writing this newsletter today. Each year, I communicate my thanks to my donor family whose son was killed in a tragic auto accident. Without his organs and without transplantation itself and the miracle of modern medicine, I would be just another statistic of death due to juvenile diabetes. Instead, I am my own statistic of how many have survived a triple organ transplant. When people

## A DRONE FOR EVERY JOBSITE

By Jim Stavis

The worldwide construction industry expects to top \$8.5 trillion this year. That's trillion with a "T." Of that, the U.S. should capture \$1.3 trillion. It is also estimated that 15% of the materials used on those projects ends up in landfills as a result of mismanaged scheduling and purchasing. The American Institute of Architects believes that building-related waste makes up between 25% and 40% of America's solid waste stream. In America alone that would represent \$160 billion in waste. If true, that is a staggering amount.

With that kind of scale, small gains in efficiencies can translate into billions of dollars in savings for the entire construction industry.

ask me for the statistic of my life expectancy, I say, "There is none, I'm it." I often stand in absolute wonder of how lucky one can be.

So be it for the Pilgrims of days gone by, or my transplants of more recent days, there is always a reason to have gratitude. And the calendar should not dictate when we should feel it or express it. We should be gracious for the time off work during the Thanksgiving holiday and the lives we have to share. Perhaps you prefer the taste of turkey, and all the fixings, or watching an endless amount of football games. Whatever your reason might be, have a little gratitude in your life, especially during this time of year.

Jim



Companies are looking to technology as a way to control waste. One answer is to utilize unmanned aerial vehicles, commonly referred to as drones, to reclaim some of the wasted billions. I used to think drones were only used in warfare, but there has been quite a taking off of drones in many applications—to use a bad pun. Some analysts believe the drone industry will exceed \$5 billion by 2020. More than 1/3 of that will be with infrastructure and the construction industries. Drones are cheaper to fly than manned aircrafts and are much faster than human surveyors. They can collect more data than construction workers currently can, with a degree of accuracy previously unheard of in the industry. The intelligence gathered will allow construction companies to more efficiently deploy resources around a job while trimming costs and limiting delays. The cameras on the drones are becoming so sophisticated that the notion of using manned aircrafts (i.e. helicopters) may become a thing of the past. That is revolutionary.

Another use of drones has not yet been realized in this country, but soon will be. There are steel companies in Dubai that have created a RFID (Radio Frequency Identification) system where the drone can literally fly around and read the tags to give immediate stock information. It's only a matter of time before this will be employed here in the U.S. As drone technology continues to improve, there will be more and more uses that will be found.

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