

Attendees of the Philadelphia Member Chapter's annual meeting enjoyed the tour of the Harley-Davidson York Plant.



Of Infrastructure and Investment:

AIST Philadelphia Member Chapter Puts Focus on Building at Annual Meeting

If there are unintended consequences to the Section 232 metals tariffs, maybe it's this: they've raised the public's interest in the steel industry and those who work in it, including AIST president Jim Dudek.

"It's amazing to me that in the past, when I'd go to social events and tell people that I work in the steel industry, they'd move on. Now, they actually start asking questions," Dudek joked during a recent industry presentation.

But insofar as intended consequences go, namely, a competitive U.S. steel industry that has the means to reinvest in itself, the measure so far is meeting expectations, he said during his keynote address at the Philadelphia Member Chapter's annual meeting.

The meeting, held 16-18 September in York, Pa., USA, brought together chapter members from the northeastern U.S. They heard from a variety of speakers, including Dudek, vice president, Asset Revitalization and Manufacturing Excellence for United States Steel Corporation, who shared insights into the Section 232 tariffs and other topics.

Dudek said that the tariffs have helped to lift the industry to a point that it can adequately invest in people, products, and technology and remain competitive in the global market.

As he said: The general economy is doing well, consumer confidence is strong, capacity utilization and hot-rolled band prices are up, and companies are investing in technology. This combination of factors has led to one of the most robust steel markets he's seen in his career.

His keynote capped a daylong series of presentations that largely focused on infrastructure and transportation. Chapter chair Amy Beard said the presentations, taken together, offered two key takeaways.

"There is a great deal of infrastructure work that needs to be done, and we are at a point where infrastructure is ripe for disruption. The infrastructure we know today will look and act different in the very near future," she said.

Although policymakers have yet to act on some sort of infrastructure renewal program, one is inevitable because the need is simply too great, Dudek said.

"If it doesn't happen today, if it doesn't happen tomorrow, at some point in the next several years, it will, and this will be a major driver for steel demand in the U.S."

Becky Hites, president and founder of Steel-Insights LLC, noted that it's not only the country's roads and bridges that require rehabilitation. Pipelines, airports, schools and other things, she said, are as much in need.

As she told the audience, there are 2,400 high-hazard dams in the U.S. and the tab to modernize drinking water systems is estimated to be US\$36.8 billion. It's even more for wastewater systems — US\$84.1 billion, she said.

As the country reckons its infrastructure needs, so, too, is United States Steel Corporation, which has embarked upon a US\$2 billion investment program.

Dudek told the attendees that the scope of any given project is relatively small — the majority of projects cost less than US\$20 million. However, taken as a whole, the project is enormous.

"The scope is substantial. There is a lot of work going on at every single facility."

In addition to revitalizing existing equipment, the company also is installing new equipment at its PRO-TEC joint-venture coatings plant in Ohio, where it is adding a third coating line.

The US\$400 million line will produce galvanized, third-generation advanced high-strength steels that are strong, but formable and easily weldable.

"That will give us the flexibility to produce not just the steels being thought of today, but the steels that haven't been thought of yet."

Dudek said the structural steel is in place and, as of September, on track for start-up in 2019.

Attendees also heard from Marc Newbould, quality manager at U. S. Steel, who talked about initiatives that have improved coil quality at its Fairless Hills galvanizing line in eastern Pennsylvania.

In his presentation, Newbould said a variety of digital measures have been incorporated into daily operations, including a web-based lab test system that is capable of automatically applying product holds; adoption of a tablet-based product identification validation system that employs QR codes; and the linking of available process alerts to product holds.

A precursor to maintaining product quality is to have properly operating equipment, and to that end, another presenter, Charles Fink, vice president of customer relations at induction heating and melting systems manufacturer Inductotherm Corp., said preventive maintenance routines are imperative, even for systems without a lot of moving parts.

He said that as with a mechanized system, there are obvious benefits to such a plan — it extends the useful life of equipment and enhances efficiency by reducing downtime and lowers power costs.

He also shared some considerations that must be taken into account when working with induction heaters, including the intense magnetic fields such systems produce. So anyone who has metallic implants, such as an artificial hip joint or a pacemaker should stay away, he said.

"People ask me, 'How far away?' As far as possible," he said.