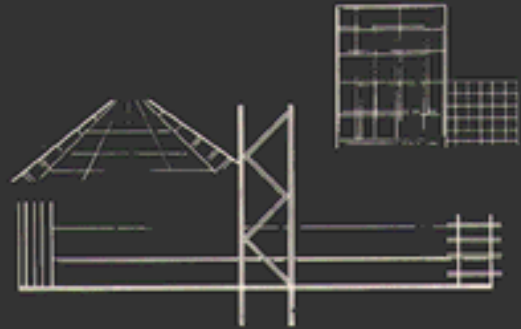


*Technology and Steel Industry
Competitiveness*

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Foreword

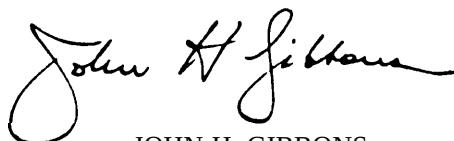
A severe downturn in the domestic steel industry in 1975-76, coupled with continued increases in steel imports, led to widespread concern about the industry's future. In October 1977, the House Ways and Means Committee's Subcommittee on Trade requested that OTA examine how technology might be used to improve the industry's international competitiveness. The brief recovery of 1978-79 appears to be over and, with another downturn on the horizon, the following concern expressed in the Subcommittee's original request seems just as relevant today:

While it is possible that some short-range solutions to the current world steel crisis may be developed in the near future, the need for a long-range policy will remain,

This report focuses on the creation and adoption of advanced technology in the U.S. steel industry. Although it is not a comprehensive study of the industry, it does examine nontechnological factors that shape the environment in which new technology is created and adopted.

OTA finds that a number of technological opportunities exist for improving the competitiveness of the domestic steel industry. The industry consists of different types of firms with markedly different performances, and this report identifies the opportunities for new technology and new policies that apply to each. It examines the costs and benefits of specific Federal policy options, and constructs several scenarios for the next 10 years to assess how these options would affect the industry and the Nation.

The domestic steel industry remains vital to the economic well-being and national security of the United States. However, technology alone cannot solve all of the industry's problems. Given the complexity of these problems, the technology-related policy options in this report should assist any congressional debate on a national policy for renewal of the domestic steel industry.



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NOTE: The Advisory Panel provided advice and comment throughout the assessment, but the members do not necessarily approve, disapprove, or endorse the report, for which OTA assumes full responsibility.

*After February 1980 replaced by Dr. Dennis because of retirement from AISI.

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