

**Date: March 8, 2018**

**Subject: Steel Availability and Price Volatility**

**To: Burnham Commercial Steel Sales Representatives**

**This Sales Bulletin supersedes the Sales Bulletin dated February 8, 2018.**

As communicated on February 8, effective March 5, 2018 the standard multiplier on Steel products increased to 0.68. **Due to recent events (described below), the new standard steel multiplier as of March 12 is .72. We expect the multiplier to increase over the next several weeks and months. As always, if a competitive situation arises please contact one of us in the Burnham Commercial Sales team to facilitate negotiations on a modified multiplier.**

As you most likely are aware, on Friday, February 16, 2018 The US Department of Commerce (DOC) published their report on the Steel Section 232 investigation requested in the spring of 2017 by President Trump. In the report the DOC determined that steel imports "threaten to impair national security". Also in the report they recommended a number of potential remedies. The remedies vary from imposing new tariffs on all steel products of 24% to imposing a tariff of 53% on steel products from eight named countries to a quota on ALL countries of 63% of their 2017 import levels. As of 3/1 President Trump stated he would impose tariffs during the week of 3/5. Although the final decision has not yet been made, steel and steel containing products have already begun to climb rapidly.

Given the information currently available, we anticipate steel pricing to increase a minimum of 20-25% over the next several months. We are also very concerned that the mills will put steel purchasers on allocation thereby restricting our ability to ship orders in timely manner.

We have a number of orders on 'hold for release'. As stated in our February 8 sales bulletin we will honor the current quotation price if released by April 1. It may behoove you and your customers to consider releasing orders ASAP so we can hopefully minimize the future price increase impact. **After April 1, pricing will be reviewed at the time of order release. You will be notified immediately of any price surcharges.**

We will keep you up to date over the next several weeks regarding additional price increases that would surely result from the imposition of tariffs.

Thank you in advance for all that you do to drive sales for Burnham Commercial.

Please contact us if you have questions or concerns.