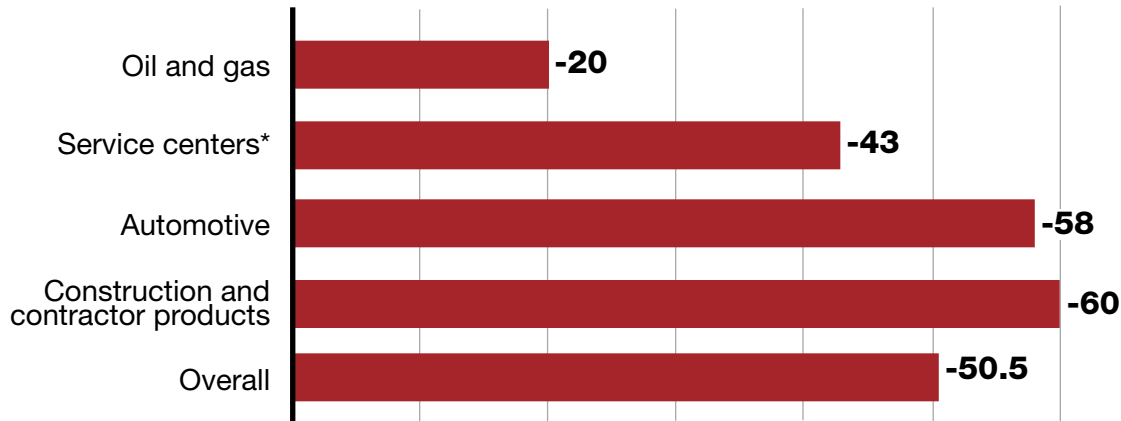


## CHART 2: SPINNING WHEELS

A major reason for the nosedive of U.S. output is the industry's lack of diversity, an outgrowth of decades of losing competitive ground to other materials. Failing to recapture consumer-packaging markets from plastic and aluminum (consider the decline of the grocery store tin can) or to strike out with new products, steelmakers have become overdependent on Detroit and commercial real-estate construction to fill their order books. With the auto sector moribund and demand for all types of construction weak, U.S. steelmakers are suffering the consequences.

### Steel Shipped from U.S. Mills January 2009 vs. January 2008 Percent decline by sector



\* February 2009 vs. February 2008 volumes

Sources: American Iron and Steel Institute,  
Metals Service Center Institute