



June 15, 2016

Dear Valued Customer,

Effective August 15, 2016, Southeastern Metals is implementing a price increase of approximately 13% on all steel products including metal roofing panels and job packs, trims and flashings, and ventilation. Some items may be subject to even higher increases.

Purchase orders received on or after Monday August 15<sup>th</sup> will be entered and shipped at the new prices. Orders received before August 15<sup>th</sup> will be shipped at current pricing through August 19<sup>th</sup>, subject to material availability. New price sheets reflecting these increases will be sent well ahead of the implementation date.

Volatility in the steel industry continues. Attached is a letter explaining how the recent developments in the global steel market are affecting our industry. Feel free to share this with your customers.

If you have any questions or need additional information, do not hesitate to contact me or your local territory sales representative.

Thank you for your continued patronage,

A handwritten signature in black ink, appearing to read 'Doug Hibbard'.

Doug Hibbard  
Director of Sales & Marketing  
Southeastern Metals, Jacksonville, FL  
Dot Metal Products, San Antonio, TX

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## **WHY PRICES ARE RISING ON METAL ROOFING PRODUCTS**

In June 2015, several steel producers in the United States filed anti-dumping (AD) and countervailing duty (CVD) petitions with the International Trade Commission, against several foreign manufacturers of corrosion-resistant steel products including galvanized, galvalume, and painted steel coils. This is the steel from which metal roofing panels, roof vents, and trims and flashings are produced.

The U.S. Department of Commerce recently determined that imported steel from several foreign steel manufacturers was illegally dumped in the United States, and that some foreign governments were also subsidizing steel manufacturing allowing foreign steel to be sold in the United States at unfairly low prices.

As a result, anti-dumping and countervailing duties have been imposed on the foreign steel producers, as high as 451% for China. These actions caused rapid price increases of corrosion-resistant steel products in the United States, as well as shortages and extended lead times.

The bottom line for our industry is a significant increase in the cost of all metal products used in roofing, including metal roofing panels, ventilation products, and steel trims and flashings. At this time additional increases on all metal roofing products are expected in the 3rd quarter as the imposed AD/CVD duties take effect and steel shortages continue.