



INTERNATIONAL MARKETING, INC. TECHNICAL BULLETIN

SUBJECT: Steel Scrap Supplement Charge

DATE: March 29, 2004

Shot Blast media is a product manufactured from steel scrap. Steel is a recyclable product that is constantly affected by price fluctuations. The market value of steel scrap has been sky rocketing due to the higher demand for steel and steel scrap from foreign as well as U.S. buyers. Compounding this is the lower production of steel and steel scrap in the U.S. steel industry, the increasing demand for it on all fronts, and the use of plastics in the place of parts that were previously made from steel (which eventually would have become steel scrap).

The following explains the additional supplement charge added to invoices for steel shot shipments:

- This is a floating steel industry surcharge to handle the constant fluctuation of steel prices.
- Steel prices are controlled by the price of steel scrap and vice versa.
- This surcharge is billed to IMI from the manufacturer of the blast media and is passed through to the end user without markup.
- In times when the market is down the end-user gets the benefit of lower supplement prices and when the market is up the end user bears only the cost increase with no additional mark up.

What to do with the rising price of steel and scrap supplement charges?

- Know what that charge is to eliminate the sticker shock. The supplement charge is adjusted on the 1st of each month and usually announced two weeks prior to the end of the previous month. Contact IMI to inquire regarding the current charges.
- Carefully handle your steel shot and steel supplies in a conservative manner to get the most out of the product you purchase.
- Buy a quality assured product for the best value. IMI has partnered with Ervin Industries to provide you with the highest quality shot blast media in the industry. Other shot blast media falls short in maintaining the criteria set as industry standards for hardness, size, shape and chemistry. Products that fail to meet quality standards may cost less at the front door but will always cost you more in the end when they fail to perform in a consistent manner. Ervin Industries conducts quality control testing to ensure compliance with the standards.
- Recycle whenever possible – check with your local scrap yard (even your dust from your dust collector) may be worth some money to you.

Questions regarding the above technical bulletin may be directed to:

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