

Whose Coalition is it Anyway?

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Once upon a time in America, there were three little west coast glazing contractors who fought against each other in their little sandbox to win contract work. Two of them even gambled heavily on a bet that building integrated photovoltaic curtain wall would be all the rage and cumulatively sunk millions into R&D. Then suddenly, dark clouds appeared on the horizon. Not only did those clouds block the much needed sun that was to fuel their bipv vision, but they also cast a shadow on what was temporarily a brief economic recovery shortly after the 2008 financial meltdown where the only large contract work to pursue seemed to be residential construction in what quickly became a *buyer's market*. Oh no!

Let's call the three little contractors Aggie, Baggy, and Wally. One day, after Aggie and Wally both learned that their endeavors to import lower-priced aluminum from China didn't pencil out, and at a time when Aggie and Baggy were suffering bipv gambling loses, they suddenly noticed that the foreigners whose aluminum they earlier sought were suddenly playing in *their* sandbox! *"How could our loyal clients entertain foreign competition!?"* cried Aggie. *"Don't they know the product will leak!? The paint will peel off! Those companies are owned by their military! They're subsidized by their government! They're dumping! THEY'RE DUMPING!!"*

Now, I know what you're thinking. Aggie, Baggy, and Wally can't be *that* naïve. Let's give them the benefit of the doubt for a second and assume they understand that foreign curtain wall contractors, as do domestic alike, historically enter new markets and underbid contract work - whether intentional to break in to the market or by not knowing the price points. We've all been there. And our clients don't care. *"Just sign our contract and give us a bond. We're so tired of those local guys and their high prices. You guys are great!"*

Well, this is where Aggie, Baggy, and Wally collectively come to the realization that the only way they will be able to eliminate the red competition is by going to the Commerce Department to suggest favorable clarification of ambiguous scope language. After all, have you ever read scope language that *wasn't* ambiguous? Anyway, they decide to stand down from their tribe-on-tribe battles and pillaging of each other's employees to engage in a *ménage a trois* which would come to be known as the *Curtain Wall Coalition* and soon attempt to gain local and national support under the guise of crusading for an industry that is under threat by Red China. *"What do we have to lose, right? We'll even call ourselves 'producers' of curtain wall products as if we sell our systems to other glazing contractors across this great nation."* Okay then.

Fast forward five years. *"Gee, this fight is getting expensive!"* moaned the Coalition. *"We've enlisted the Northern California Glass Management Association in our army and THEY'RE convinced we're super heroes, but this lawyer of ours is bleeding us dry! Oh,*

and we're busy with so much work cuz the market is healthy again! Who cares about China now? I don't want to spend any more money! Half of those companies left town anyway!"

What does the Curtain Wall Coalition do at this point? Something strategically wise. They pass the baton to the Aluminum Extruders Council and turn it into an all-out, misinforming-of-the-public jihad on Chinese aluminum. Who is the AEC? They're advocates for the North American aluminum extrusion industry interests, which also includes our friends north of the border. You know; the place where all those fine, thin-walled, multi-seamed, stacking window wall products come from that have negatively impacted our local window contract markets for decades. Yeah. You know the place.

And today the CWC has its own website. It's like the Fox News network of the aluminum industry. On it, you can read all about how the Chinese are destroying the infrastructure of our manufacturing base, are poised to capture the curtain wall market, their threat of overrunning domestic production, blah, blah, blah. *"We must prevail! They're a threat to your business! Now is the time!"* It goes on to warn that China must be prevented from *"hacking your jobs"* and a call to take action to prevent undercut prices, etc. Then there are the steps showing you what you can do, such as sending them copies of "Chinese quotes". Chinese quotes? *Really??* Does this include quotes by Confucius? Here's one: *Before you embark on a journey of revenge, dig two graves.*

There's even a pledge form you can download. Just print it out and check one of the boxes: \$5,000, \$10,000, \$15,000, and "Write in Amount". Oh, and be sure to follow the instructions on sending your payment to the Northern California Glass Management Association in Emeryville, California. This association represents promoting the interests of regional union glazing contractors and manufacturers. And any curtain wall contractor that signs an agreement with the local union of whom the NCGMA conducts its bargaining with, such as the notorious *Jangho* of Beijing, somehow becomes a member by default, as are any of their members that perform union installation work for the notorious *Yuanda*. Why would such an organization want to constrain or condemn its own members? Well, you'll have to look in to who has influence in the NCGMA for the answer to that question.

This past November, I had the grievous misfortune of listening in on the CWC's *"Call to Action"* webinar which was presented by their attorney and Western Extrusions (proud supporter of the CWC with major stakes in the aluminum game). The amount of times my company's name was adversely mentioned was truly sad, unfair, and sickening. They even displayed a map of the continental USA showing the cities where my company has performed contract work, further citing that we sell projects for 25 to 30% below market. There was also mention of the 600 million-pound aluminum market share the U.S. and Canada enjoyed last year. *Now that's a pot of gold worth protecting!*

As a sales manager for Yuanda USA, I'm directly responsible for selecting bid projects and tendering the prices. In my 36 years of experience in this field, I've seen just about everything. Whether the curtain wall bidder is local, from another state, or another

country; they have *all* made the mistake of underbidding contract work. Many recover from their mistakes becoming smarter and more responsible on the next bid only to be outpriced by the new kid on the block, and so on and so on. Some casualties of the bid wars are never heard from again, hence the limited life expectancy of the curtain wall contractor.

Now please allow me to clear up some things the CWC has been trying to mislead you regarding.

The Curtain Wall Coalition was initially formed by three San Francisco Bay area glazing contactors. They did this as a means to eliminate competition during poor market conditions by exploiting ambiguities of scope language by the U.S. Department of Commerce. San Francisco became *Plymouth Rock* for the curtain wall suppliers and contractors arriving from China. They came from afar, didn't understand the price points or protocol, and were soon identified as a threat to three glazing contractors, all of whom really didn't pursue the types of projects these Chinese curtain wall contractors did anyway, unless they were much smaller. And in the eyes of our clients who procure the Work; it didn't matter how well you performed in the recent or distant past, how much you contributed to their charities, played golf, etc. *"This is about price, baby! Yeah, they may be a risk but they're too cheap to ignore. We'll just carry a contingency and try to hold them to the contract"*.

Allow me, now, to move on from the *Three Little Pigs* and open up *Pinocchio*.

When the CWC's attorney mapped all the cities during their webinar where Yuanda was allegedly performing work, my reactionary thought was of all the bid projects we had lost in those places to local and domestic curtain wall contractors or Canadian suppliers solely on price. How can that be? According to the CWC, we're selling projects up to 30% below market and pricing those jobs in an *"indiscriminately sort of way and are subsidized by the Chinese Government"*. Well, maybe my company's orders to me were just lost in translation for the past six years. I don't know. What I do know, is that even if our Chinese aluminum was provided to us free of cost, it still wouldn't account for the disparity in bid prices on projects that we lost to domestic contractors and suppliers. Perhaps they're all subsidized by their governments? Either the Aluminum Extruders Council, a.k.a. CWC, doesn't understand that competitive curtain wall contract bid prices are often times established by short sighted incompetence, or they're playing on our patriotism to protect their market share. The more I hear them identify my company as a threat, the more evident it is that they wouldn't recognize a threat if it was in the form of a rabid pit bull suddenly steering them in the face.

And when it comes to importing aluminum to the USA, why do they not identify or turn their focus on some of the American curtain wall contractors? The curtain wall enclosure on the Freedom Tower (alone) was fabricated from aluminum extrusions supplied by South Korea. My guess is about 5 million pounds worth, but you'll never find any information anywhere as *that* particular curtain wall contractor prides itself in flying below the radar. Who could blame 'em? Imagine the negative press that project would

have received if the public knew? Remember the podium glass controversy debacle?
Chinese glass on the Freedom Tower!? FOUL!!!

Some of us are well aware of the fact that *that* prominent American curtain wall contractor of the Freedom Tower imports more aluminum from Korea than companies like mine could ever compete with. So why aren't they considered a threat? Quite possibly because they are Americans, or that there are no anti-dumping provisions concerning Korea contained in any U.S. Government Scope Orders. Or, the AEC had already come to terms with losing that market share years ago and enjoyed what they had – until the Three Little Pigs passed them their anti-China wild card with a face value of...uhhh...we'll see.

And before we completely close the book of the Three Little Pigs, know that at least two of them have either attempted, or procured façade materials from China before deciding to form a coalition to stop them. Since forming that coalition, some are currently in the process of procuring architectural glass and metals from China and other Asian countries. White Knights they are.

For some protectionists, tariffs are a means to prevent globalization. All I see from the CWC is attention to China and specifically Yuanda. We are not "producers" of curtain wall as you so often petition. We are your typical tortured curtain wall contractors struggling to make a buck and employ good, hard working people. Sometimes our bids are too low and sometimes they're too high. And what of the continual increasing threats from Malaysia, Vietnam, Korea, Mexico, Columbia, Germany, Italy, Turkey, Poland, etc.? *They're coming to get you.* And when they are gone, guess what? Someone else will be coming to get you.

So if you really feel it's your patriotic duty to send a check to the Curtain Wall Coalition, by all means spend away. Just be sure to make your checks payable to the NCGMA and sleep better knowing that there are no other foreign threats to our industry once those pesky, market-manipulating, government subsidized, job-hacking Chinese curtain wall contractors have been stopped!