

UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:)	Investigation Nos.:
)	701-TA-465
CERTAIN STEEL GRATING FROM)	731-TA-1161
CHINA)	(Preliminary)

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THE UNITED STATES INTERNATIONAL TRADE COMMISSION

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 CHINA) (Preliminary)

Friday,
 June 19, 2009

Room 101
 U.S. International
 Trade Commission
 500 E Street, S.W.
 Washington, D.C.

The preliminary conference commenced, pursuant to Notice, at 9:30 a.m., at the United States International Trade Commission, JOHN ASCIENZO, Acting Director of Investigations, presiding.

APPEARANCES:

On behalf of the International Trade Commission:

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 EDWARD PETRONZIO, INVESTIGATOR
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 AMELIA PREECE, ECONOMIST
 CHARLES YOST, AUDITOR
 KARL TSUJI, INDUSTRY ANALYST

APPEARANCE: (Cont'd.)

In Support of the Imposition of Countervailing Duties:

On behalf of Alabama Metal Industries Corp, and Fisher & Ludlow, Inc.:

JOSEPH D. SMITH, President, Alabama Metal Industries Corp.

MICHAEL J. SCOTT, Vice President of Sales and Marketing, Alabama Metal Industries Corp.

BRIAN RUTTER, President, Fisher & Ludlow, Inc.

MARK McELHINNEY, United Steel Workers, Fisher & Ludlow, Inc., Saegertown, Pennsylvania

ALAN H. PRICE, Esquire
TIMOTHY BRIGHTBILL, Esquire
Wiley Rein
Washington, D.C.

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1 P R O C E E D I N G S

2 (9:30 a.m.)

3 MR. ASCIENZO: Good morning and welcome to
4 the United States International Trade Commission's
5 conference in connection with the preliminary phase of
6 countervailing duty investigation No. 701-TA-465 and
7 antidumping investigation No. 731-TA-1161 concerning
8 imports of certain steel grating from China.

9 My name is John Ascienzo, and I am the
10 Commission's Acting Director of Investigations, and I
11 will preside at this conference. Among those present
12 from the Commission staff on my far right are from my
13 far right: George Deyman, the supervisor
14 investigator; Edward Petronzio, the investigator;
15 Gracemary Roth-Roffy, the attorney/advisor; Amelia
16 Preece, the economist; Charles Yost, the auditor; and
17 Karl Tsuji, the industry analyst.

18 I understand the parties are aware of the
19 time allocations. I would remind speakers not to
20 refer in your remarks to business proprietary
21 information and to speak directly into the
22 microphones. We also ask that you state your name and
23 affiliation for the record at the beginning of the
24 presentation.

25 Are there any questions?

1 (No response.)

2 MR. ASCIENZO: If not, welcome, Mr. Price,
3 and please proceed with your opening statement.

4 MR. PRICE: Thank you, Mr. Ascienzo, and
5 members of the Commission staff.

6 Good morning. I am Alan Price of Wiley
7 Rein, LLP, counsel to Alabama Metal Industries
8 Corporation, or AMICO, and Fisher Ludlow, the
9 Petitioners in this investigation.

10 We are here today because the U.S. industry
11 producing certain steel grating, often known as bar
12 grating, has been materially injured and is threatened
13 with further material injury by reason of dumped and
14 subsidized imports from the People's Republic of
15 China.

16 Steel grating is a new product for the
17 Commission but the information and the evidence that
18 we will provide today will sound very familiar. This
19 is a classic straightforward case of a huge surge of
20 import volumes injuring U.S. producers and threatening
21 further injury. The undisputed evidence is as
22 follows:

23 Chinese imports increased by over 500
24 percent in the three-year period of investigation.
25 Imports from China increased from about 9 million tons

1 in 2006, according to the official import statistics,
2 to more than 59 million tons in 2008. Imports also
3 captured market share in the interim period.

4 The worst of the surge of Chinese imports
5 began in the second half of 2008. It was a tidal
6 wave. Imports increased far, far, far in excess of
7 demand. China's total market share increased by 20
8 percentage points from 2006 to 2008, and in 2008, one-
9 quarter of all steel grating sold in the United States
10 was dumped and subsidized imports from China, and in
11 the second half of 2008, that number was far higher.

12 China's imports focused on the highest
13 volume commodity grating product which are the core of
14 Petitioners' businesses. Chinese imports quickly
15 began to take business at service centers and
16 distributors, the backbone of the supply chain, and
17 the Petitioners' biggest customers.

18 The dumped and subsidized imports undersold
19 domestically produced products by substantial margins.
20 The Chinese bar grating industry was able to do this
21 through massive subsidies. The impact of the dumped
22 and subsidized imports is significant, and the injury
23 manifests itself most greatly in late 2008 and in
24 early 2009. There is one less producer due to subject
25 imports. Leavitt Tube was forced out of business due

1 to the surge of unfairly priced imports from China.

2 For the remaining U.S. companies, production
3 and shipments have dropped sharply and are still
4 dropping. Capacity utilization has fallen to 60
5 percent or less and is still falling. Today you will
6 hear from both AMICO and Fisher & Ludlow as to how
7 they have had to lay off many skilled workers.

8 They have reported significant lost sales
9 and lost revenues to their major customers, operating
10 profits have fallen sharply in 2009, and because of
11 last year's overwhelming surge in the second half of
12 the year there are substantial inventories clogging
13 the distribution system at end-user inventories, which
14 means that the harm to the domestic industry is just
15 manifesting itself and will continue for some time.

16 Making matters worse, Chinese producers
17 continue to aggressively offer steel grating into the
18 weakening U.S. market. Because of dumped and
19 subsidized Chinese imports, U.S. producers face
20 terrible choices: either losing what little volume
21 remains in the market or meeting Chinese prices and
22 losing money to capture what remaining sales exist.
23 If Chinese unfair trade practices are not addressed
24 either of these choices will leave them in the same
25 position as Leavitt Tube.

1 Today, the U.S. industry is injured, lost
2 sales, decreased production, decreased profitability,
3 and worker layoffs amount to much more than a
4 reasonable indication of material injury by reason of
5 subject imports. But the U.S. industry is also
6 threatened by material injury. The 500 percent
7 increase in imports has led to massive inventory
8 builds and as I've indicated, a clogging of the
9 distribution system with certain future injury. The
10 continuing Chinese offers are equally devastating.

11 Lastly, I would like to note that the
12 foreign producers and importers have not complied with
13 the Commission request for information. They have not
14 submitted questionnaire responses, and they are not
15 appearing before you today. This also justifies
16 application of adverse inferences and under any
17 reasonable reading of the American Lamb standard in
18 case law the foreign producers near complete failure
19 to participate in this investigation by itself
20 warrants an affirmative determination.

21 We look forward to providing you with
22 testimony and additional evidence today, and in our
23 post-conference brief, and we ask the Commission to
24 return an affirmative preliminary determination of
25 material injury or threat thereof due to Chinese

1 imports. Thank you.

2 I guess I won't. I will continue. That
3 concludes my opening remarks.

4 (Laughter.)

5 MR. PRICE: Sorry. I'm used to someone
6 else.

7 I would like to start initially with the
8 charts we have handed out just to give a slight
9 overview before our first witness. The first exhibit
10 is Hearing Exhibit A, or Hearing Exhibit 1, excuse me.
11 It's entitled Chinese Imports of Certain Steel Grating
12 Have Increased Substantially Between 2006 and 2008,"
13 and this is from the official import statistics.

14 As you can see there has been a very large
15 increase throughout the POI, but the increase of
16 imports between the beginning and the end of the --
17 between the beginning of 2006 and 2008 alone with 538
18 percent, and the increase in the second half of 2008
19 is truly remarkable. It's about a 250 percent
20 increase over the first half of the year, and so there
21 is an enormous tidal wave of imports that really comes
22 in, and it really comes in sharp and heavy in the
23 second half of 2008, not unlike some other cases that
24 the Commission recently saw.

25 Secondly, I'd like to now go to Hearing

1 Exhibit 2, the next slide which is entitled Large
2 Quantities of Subject Imports Have Not Been Reported
3 to the Commission Through the Importer Questionnaires.

4 Significant quantities of import data is
5 currently not on the record. Based upon the
6 information released from the Commission, importer
7 questionnaire data for certain periods is clearly
8 understated and incomplete. The most notable is that
9 in 2008 where the coverage is about 40 percent. But
10 equally important is the coverage in the first quarter
11 of 2009 is also quite low, and so we think there is a
12 gap here, and we just want to point it out to the
13 Commission as an important issue.

14 This is compounded, frankly, by the lack of
15 foreign questionnaire responses which makes it very
16 difficult to get at total import supply and sales into
17 the U.S. market both currently and going into the
18 future.

19 The next chart I would like to go to is the
20 last one, which is, Chines Imports Have Taken Market
21 Share from the U.S. Producers Over the Course of the
22 POI.

23 Now, the Chinese volumes have grown over the
24 POI, and they've taken shares throughout, but the
25 shares were relatively modest and grew relatively

1 slowly from 2006 to 2007. You see the explosive
2 growth in 2008, and one of the things I keep on
3 reminding the Commission is that most of this growth
4 was disproportionally in the second half of the year,
5 so it's just this overwhelming wave of imports that
6 came in, but they captured about 25 percent of the
7 market in 2008, based upon the official import
8 statistics, and even the Commission questionnaire data
9 shows substantial growth in market share in this whole
10 period.

11 As you move into the part year periods you
12 see a capturing of market share here from the Chinese
13 as they continue to enlarge their share of the U.S.
14 market and those shares go from about 7 percent of the
15 market in the first quarter of 2008 to 11 percent in
16 the first quarter of 2009. So you continue to see
17 aggressive growth of Chinese product in the
18 marketplace which, as our clients will testify, is not
19 backing off in terms of the offers and willingness to
20 sell.

21 With that preface, I would now like to turn
22 to our first witness. I'd like to introduce Mr.
23 Joseph Smith of AMICO.

24 MR. SMITH: Good morning. I'm Joseph Smith.
25 I'm the president of Alabama Metal Industries

1 Corporation, or AMICO. And for the last 70 years,
2 since 1939, Alabama has ben producing industrial
3 products headquartered in Birmingham, Alabama, and
4 we're really happy to be here today and have this
5 opportunity to present our case to you. Thank you very
6 much.

7 I am here this morning because my company
8 and the rest of the domestic industry is being harmed
9 by a flood of unfairly traded Chinese import of steel
10 grating. These imports have entered the U.S. market
11 in volume and at prices designed to do one thing:
12 capture market share at the expense of the domestic
13 industry.

14 In the last two years alone Chinese imports
15 of steel grating has increased by a astonishing 500
16 percent, with the greatest increase in volume coming
17 in the second half of 2008. These imports have
18 aggressively pushed on the U.S. market at prices up to
19 35 percent lower than our prices. As the Chinese has
20 captured market share, AMICO has experience a sharp
21 decline in production, shipments, and profit, and has
22 been forced to layoff a sizeable portion of our
23 workforce. In short, if the unrelenting volume of
24 Chinese imports is allowed to continue, AMICO's
25 viability as a U.S. producer of steel grating is in

1 jeopardy.

2 We first began seeing Chinese imports of
3 steel grating in 2005 and 2006, targeted primarily at
4 Texas and the Gulf Coast regions. Chinese producers
5 entered this market segment the same way they do many
6 other U.S. market sectors, by targeting the highest
7 volume, big ticket steel grating products, and
8 offering them at incredibly low prices. This includes
9 basic steel grating and sizes of one inch, one and a
10 quarter inch, one and a half inch, and panel sizes of
11 two feet and three feet wide, and 20 feet in length
12 and 24 feet in length. This is the bread and butter
13 of our industry.

14 While AMICO sells a more complete line and
15 adverse product line of steel grating products, we
16 need these larger selling products to help augment our
17 overall sales.

18 Soon, some of our customers in the Southwest
19 were buying Chinese imports instead of AMICO's
20 products. By 2007, Chinese producers were expanding
21 their reach and becoming a ready source of supply,
22 targeting the Pacific Coast and Midwest, and now the
23 entire United States.

24 In 2008, Chinese importers of steel grating
25 spiked even more dramatically, especially in the

1 second half of the year. The volumes were well in
2 excess of the U.S. demand. Indeed, the U.S. market
3 has not needed the offshore supply. We have readily
4 available supply and our lead times are measured in
5 days, not weeks. But Chinese imports have continued.
6 Even as the demand has increased in a weakened market,
7 Chinese imports continue to remain very active; just
8 another sign that Chinese producers are not acting on
9 market principles.

10 Instead the tidal wave of imports as a
11 result of aggressive and relentless pricing tactics by
12 the Chinese, tactics that are designed to take away
13 our customers and sales. They've flooded our
14 customers with weekly and even daily e-mails offering
15 products at prices anywhere from 15 to 35 percent
16 lower per square foot than our prices. We measure the
17 sale of, or we offer our sale of grating per square
18 foot. I know that you measure in kilograms or tons or
19 pounds, but we measure it in square feet.

20 The Chinese offers that we're seeing are
21 priced too aggressively to be based on any form of
22 market reality. Chinese producers have no real
23 competitive advantage when it comes to inputs,
24 especially where direct labor is only 4 percent of our
25 total costs. Their only advantage is artificial.

1 Steel constitutes about 60 to 70 percent of
2 our total cost of grating, and the Chinese producers
3 clearly benefit from the heavily subsidized steel
4 industry. Grating producers can obtain hot-rolled
5 steel, steel bar and wire rod for hundreds of dollars
6 less per ton because of the subsidies.

7 Chinese producers enjoy other benefits as
8 well. One example of this that I shared, I think,
9 with Ed when he visited our facility, was that in our
10 products we sometimes galvanize them. We sell
11 galvanized steel grating for about \$1.30 a square foot
12 as an adder to the base price of the steel grating.

13 The Chinese are offering the product into
14 the U.S. market at no additional cost. Product that
15 is galvanized at no additional cost is unheard of. As
16 a result, AMICO has been forced to reduce prices. From
17 January 2009 to today our prices are down roughly 40
18 percent. It's tough to compete when the prices are 35
19 percent lower than ours. That's below our cost of
20 production.

21 But the market is so weak right now that we
22 need to meet every Chinese price and our customers
23 have shared information with us and are driving our
24 prices down. We have been forced to battle it out for
25 each and every dollar in our to preserve our jobs and

1 our workers.

2 Unfortunately, we don't see China's
3 relentless push into the U.S. market abating anytime
4 soon. We continue to see aggressively priced Chinese
5 offers. In 2009, these offers have significantly
6 depressed our prices and have had a sharp impact on
7 our profit margins. The end result is that AMICO has
8 lost and continues to lose significant market share
9 due to the unfairly traded Chinese imports.

10 This became painfully evident to me during
11 the 2008 hurricane season when Gustav and Ike hit the
12 Gulf Coast region. We do a great deal of spot
13 business when hurricanes or sever weather hits. It's
14 often claimed for me that watching the Weather Channel
15 is part of my business.

16 Days before a hurricane workers on oil rigs
17 and other industrial complexes out in the Gulf will
18 take the grating that's on their rigs and discard it;
19 throw it overboard so that it doesn't become a
20 projectile as the heavy winds start blowing things
21 across the rig. Typically because of that we are
22 bombarded with telephone calls. Our distributors in
23 the Gulf Coast region will be calling asking for
24 inventory to replenish this once the storms have
25 passed.

1 Unfortunately, in the case last year the
2 phones didn't ring. People didn't call, and after the
3 storms went through we still had no calls comparing
4 that to previous years. So we know that it's almost
5 inconceivable that we wouldn't get a spike in our
6 business after those storms went through the area, but
7 that's exactly what happened. There is very tangible
8 evidence that AMICO has lost key customers and market
9 share to the surge in Chinese gratings, and things
10 have only gotten worse since then.

11 Chinese imports picked up additional U.S.
12 market share in the fourth quarter of 2008 and the
13 first quarter of 2009. AMICO has continued to lose
14 sales and accounts to these imports. Some of our most
15 important customers have begun buying Chinese imports
16 and virtually stopped buying our product. One of
17 AMICO's largest former customers now buys Chinese
18 imports exclusively. With other customers we have
19 been displaced by 25 or 35 percent of our sales, and
20 even more as the customers have stopped purchasing our
21 products and started to switch to the unfairly traded
22 Chinese imports.

23 If Chinese imports are allowed to continue a
24 very real fear that we have, the remainder of the
25 domestic market will be forced to follow suit and give

1 up domestic production in favor of offshore supply.

2 In the face of the onslaught of Chinese
3 imports AMICO has experienced a real and lasting harm,
4 including sharp sales and revenue losses, greatly
5 reduced capacity utilizations, and reduced wages and
6 worker head count. Specifically, in the first quarter
7 of 2009, our production of steel grating dropped by
8 almost 50 percent, shipments dropped by half and our
9 profits fell by even more. As a result, we have had
10 to layoff workers starting in September of 2008, and
11 through the first quarter of 2009, we've had to layoff,
12 we had to layoff about 20 percent of our workforce and
13 about 10 percent of our salaried workforce.

14 Unfortunately, we haven't reached the bottom
15 yet. Today, as conditions continue to deteriorate
16 month after month, I expect the second quarter of 2009
17 will be worse than the first quarter. Our production
18 volumes continue to decline and sales continue to
19 drop, and next week we will be laying off one of our
20 shifts, an entire shift in our production plant in
21 Birmingham, Alabama, and that will take out many
22 employees with long seniority in our facilities.

23 If China maintains even a fraction of the
24 sales in the current weakened state of the market,
25 AMICO will be forced to lower production capacity even

1 further, and potentially close some of our facilities.

2 Without relief from these unfairly traded
3 Chinese imports, AMICO will continue to lose market
4 share and suffer further harm. Without relief, the
5 production of steel grating in the United States by
6 AMICO and other domestic producers will be put in
7 jeopardy. Indeed, already one U.S. supplier, Leavitt
8 Tube has been forced out of business.

9 On behalf of AMICO and its some 800 workers,
10 I want to thank the Commission for hearing us today,
11 and I ask that you look at this case in earnest, see
12 that we have been injured, and that we are in jeopardy
13 of material injury. Thank you.

14 MR. PRICE: Thank you. I'd now like to
15 introduce Brian Rutter of Fisher & Ludlow.

16 MR. RUTTER: Good morning. My name is Brian
17 Rutter and I'm the president of Fisher & Ludlow. I've
18 had 22 years of experience in the steel grating
19 industry, and as president of Fisher & Ludlow I
20 oversee all of the company's operations.

21 Fisher & Ludlow produces steel grating both
22 in the United States and in Canada. We were
23 established in 1954, and in 2006, the company acquired
24 Tru-Weld Grating, another long time steel grating
25 producer. As both a producer and a distributor of

1 steel grating, Fisher & Ludlow has in-depth experience
2 with the steel grating market and the market actors.
3 I am here to speak from this experience regarding the
4 impact that the Chinese steel grating imports have had
5 on us.

6 Over the past year I have witnessed
7 firsthand how Chinese imports have devastated this
8 market. We have seen massive amounts of dumped and
9 subsidized imports flood into the market, particularly
10 in 2008, and launched a chain reaction that began with
11 surplus volumes and substantial price undercutting,
12 and has now caused a U.S. price and production
13 collapse. This has severely harmed my company and our
14 industry.

15 Chinese import levels began to increase in
16 the second half of 2006, and once they started coming
17 they just kept on coming in in higher and higher
18 volumes. The number of tons of steel grating that
19 China sent to the United States increased from 9
20 million tons in 2006, to 14.5 million tons in 2007,
21 then to 59 million tons in 2008. Chinese producers'
22 share of U.S. grating market rapidly increased from 5
23 to 25 percent. The Chinese producers' share of the
24 steel grating market is skyrocketing.

25 Once the Chinese imports discovered our

1 market they continued to accelerate their sales and
2 low-priced offers. It was apparent that the importers
3 of Chinese steel grating were in the midst of an
4 unparalleled sales campaign. They offered massive
5 quantities of steel grating, first in the Gulf Coast,
6 but then spreading to the West Coast, the Midwest, and
7 eventually covering the entire U.S.

8 By 2008, our customers were receiving weekly
9 and even bi-weekly calls and unsolicited faxes
10 offering Chinese-made steel grating. As you can
11 imagine, the sales campaign included aggressive
12 pricing. The Chinese products have consistently been
13 offered at prices that are 15 to 25 percent less than
14 Fisher & Ludlow's prices. Towards the beginning of
15 the surge when demand was still strong and the Chinese
16 import had not yet peaked, we started to lose some of
17 our customers, but were able to maintain overall sales
18 volume and did not have to slide our prices. But in
19 the mid to late 2008, imports were accelerating well
20 beyond demand levels, and continued to take more
21 market share. We had to cut our prices or lose some
22 of our most important customers.

23 To make matter worse, the Chinese saturated
24 the market. These imports went into distributor and
25 customer inventories, choking off what would normally

1 be future purchases.

2 As Fisher & Ludlow began to slash prices to
3 try and retain customers, Chinese still prices fell by
4 a corresponding amount, always maintaining that 15 to
5 25 percent gap price discount. Even our largest
6 customers for whom we sell at our lowest possible
7 prices were seeing offers 15 percent below our best
8 offers. The price drop that began in 2008 has
9 accelerated in 2009.

10 I should emphasize that the Chinese
11 producers have not backed off the market at all in
12 2009. They are still aggressively making offers at
13 lower and lower prices. We are now forced to match
14 those prices to try to preserve whatever sales we can.
15 If we don't match the price, we don't get the
16 business.

17 Chinese production is not dictated by supply
18 and demand. It is dictated by keeping their workforce
19 employed and by massive government subsidies on a
20 national, provincial, and local level. In particular,
21 the Chinese steel producers enjoy their primary input,
22 steel, at subsidized prices. With the benefit of
23 government subsidies, the Chinese producers can supply
24 steel grating delivered to the United States at less
25 than our cost of production.

1 It is all part of the Chinese government's
2 plan to expand their exports from primary production,
3 like steel, into finished products, like steel
4 grating. Unlike domestic producers, the Chinese
5 companies do not have to ensure their profitability
6 which explains why they continue to produce and import
7 steel grating even in the face of slackening demand.
8 The Chinese companies are not focused on
9 profitability, but rather taking over the U.S. market.

10 This combination of oversupply and falling
11 domestic demand has severely impacted Fisher &
12 Ludlow's profitability. In the past 15 years, Fisher
13 & Ludlow has only had one negative year. For the last
14 several years we have had strong production volumes.
15 For the last seven years we have been able to avoid
16 layoffs. Then in the first quarter of 2009, Fisher &
17 Ludlow dropped into the red. We are losing money.
18 Our capacity utilization is dropping, and we've been
19 forced to layoff workers.

20 The injury to our company is manifest and is
21 apparent throughout all of our steel grating
22 operations. Our sales of bar grating are down
23 significantly. In particular, Chinese producers have
24 targeted our highest volume steel grating products.
25 While Fisher & Ludlow offers our customers a full line

1 of products, a key source of revenue are the high-
2 volume grating sizes because they are produced
3 efficiently and at significant economies of scale.

4 Many of our best customers have shifted to
5 Chinese producers for these high-volume orders. This
6 leaves us with smaller volume products that are being
7 more and more difficult and expensive to produce.

8 The effect of dumped Chinese imports can
9 also be seen in Fisher & Ludlow's falling capacity
10 utilization rate. We've produced at near peak
11 capacity over the last four years, but today our
12 capacity utilization stands at only 45 percent, and we
13 have not yet hit bottom.

14 In this environment we will take any sale we
15 can get. The gravest marker of dumping effect is
16 layoffs. As sales volume dropped at Fisher & Ludlow,
17 we had to start layoffs in order to stay afloat
18 financially. We began the layoffs in our Canadian
19 plants that produced steel grating for the U.S.
20 market, and the Chinese import surge in 2008
21 immediately undercut our U.S. sales and our sales
22 began in Canada about mid-2008.

23 As the surge of Chinese imports continued
24 throughout the year, we had to begin to layoff our
25 U.S. workforce. By the end of 2008, we had let 5

1 percent of our workforce at our Saegertown,
2 Pennsylvania, facilities go. Over the last several
3 weeks we had to let another 10 percent of these
4 workers go. Mark McElhinney, a worker and union
5 leader at our Saegertown plant location has
6 volunteered to come with us here today and describe
7 the effects on those people.

8 As company president, my most important
9 message is this: The chain reaction begun by the
10 Chinese dumping and subsidy ends with layoff in
11 America. The Commission can break this chain by
12 applying the trade laws against China's dumped and
13 subsidized imports. We do not see any relief in
14 sight.

15 Our primary customers are in the commercial
16 and industrial sector which are also struggling right
17 now. Even once they begin to recover, it will be some
18 time before this translates into larger sales volume
19 for us, particularly with the large quantities of
20 Chinese products that are already here in inventory in
21 the United States. And now that China has established
22 a presence in the market through dumped and subsidized
23 prices there is no guarantee that these sales will
24 ever come back to us.

25 In conclusion, the U.S. steel grating

1 producers are at a crossroads. We are asking
2 ourselves whether we should continue to produce
3 grating or, as some U.S. producers have already done,
4 layoff our workers, shut our factories, and become
5 distributors for the Chinese-made goods. My question
6 for the Commission is whether or not you will provide
7 a defense against these dumped Chinese imports.

8 On behalf of Fisher & Ludlow, its employees,
9 their families, I urge the Commission to find that
10 these imports from China have injured our industry and
11 that they threaten us with material injury in the
12 future. Thank you for your time.

13 MR. PRICE: Thank you. I'd now like to
14 introduce Mr. Michael Scott of AMICO.

15 MR. SCOTT: Good morning. My name is
16 Michael Scott. I'm the vice president of sales and
17 marketing for AMICO. You've already heard this
18 morning how AMICO and the rest of the industry is
19 being damaged by Chinese imported grating. I'd like
20 to take a few moments this morning and make my
21 comments on the general U.S. bar grating market and
22 then focus the rest of my comments on the product
23 under investigation and distinguishing it from other
24 products that AMICO also produced.

25 First, unlike the market for most upstream

1 steel products, sales of steel grating are rarely, if
2 ever, made on a contract basis. Virtually all of our
3 sales are made on a spot pricing basis. This makes
4 competition all the more dependent on price, and with
5 the Chinese imports priced at 30 to 35 percent below
6 our pricing we are forced to fight dollar for dollar
7 for each sale.

8 As you heard from Joe, the result for AMICO
9 has been the loss of sales, the loss of customers, and
10 ultimately the loss of market share.

11 Second, as opposed to most upstream steel
12 products the lead time for steel grating is hours and
13 days. It's not weeks and months. As a result, we are
14 able to meet sudden increases in demand on short
15 notice without any need for offshore supply. I want
16 to reiterate what Joe said. The U.S. market does not
17 need imported grating. We have the readily available
18 supply to meet the surge in demand at anytime with the
19 U.S. capacity.

20 Third, in terms of the Commission's pricing
21 analysis, as Joe mentioned earlier, steel grating is
22 sold on a per square foot basis. This is the way that
23 we compare pricing in the market, this is the way that
24 we compete, and this is the way that our customers
25 compare us.

1 The chinese producers tend to underweight
2 their product. As a result, a comparison on a weight
3 basis, on a kilogram or pound or ton will not leave to
4 a proper analysis.

5 Turning to the product at issue, AMICO
6 manufacturers a complete like of industrial grating
7 products, including steel bar grating, expanded metal,
8 expanded metal grating, safety grating, fiberglass
9 grating and aluminum grating. Steel grating is easily
10 distinguishable from the other grating products such
11 as expanded mental grating and safety grating.

12 Looking at the factors that I understand the
13 Commission considers in determining domestic like
14 products, it is clear that steel grating is distinct
15 and separate from expanded metal grating and safety
16 grating.

17 In terms of physical characteristics and
18 use, steel grating is a downstream steel product that
19 is manufactured from multiple separate pieces of
20 steel, including load-bearing pieces and cross rods.
21 These separate piece are then joined together either
22 by welding, riveting, swaging, or pressing. The
23 physical dimension of both the cross bars and the
24 bearing bars, including bar spacing, bar depth and bar
25 thickness, permits steel grating to meet a wide range

1 of load-bearing applications, including flooring rail
2 car stand platforms, vehicle bridges, freight car
3 flooring, boat landing ramps and CAT walks. The
4 product may also be used in applications that require
5 less of a load-bearing application such as pedestrian
6 walkways, mezzanines, overhead sign platforms and fire
7 escape platforms. Most of you probably walk across
8 steel grating today as it is a form of grating is what
9 comprises the subway vents and the streets here in
10 Washington, D.C.

11 In contrast, expanded metal grating, safety
12 plank grating are produced using a single piece of
13 coil, sheet, thin-plate steel that is cut and expanded
14 or pierced and punched. As a result, neither product
15 is suitable for use in heavy load-bearing
16 applications. For example, expanded metal grating is
17 used in the following applications: air fluid, air
18 and fluid filters, ventilation system strainers,
19 satellite and radar antennas, outdoor furniture,
20 fencing, speaker grills, shelving and racks, and
21 decorative dividers. In a factory expanded metal is
22 more commonly used to shield moving parts and
23 equipment such as fans and machinery, but not to bear
24 weight.

25 Safety plank grating is generally made to be

1 slip resistant and may be used for light foot traffic
2 such as work platforms, transportation service areas,
3 vehicle steps, roof top walkways and stair treads.
4 However, because it is cold form from a single sheet
5 of steel, its size and uses is much more limited than
6 that of steel grating.

7 We brought some samples here today. I want
8 to first show you bar grating. Bar grating has the
9 bearing bars right here and the cross bars. We can
10 vary the width and the depth of the bearing bars and
11 the proximity of the bearing bars to one another. This
12 gives it the application, or gives it the wide range
13 of applications and load-bearing capabilities.

14 Expanded metal, like this piece right here,
15 is made by cutting and then stretching. This piece of
16 expanded metal was made by a flat sheet of steel about
17 that width. As you can tell, it doesn't have near the
18 weight of the bar grate. This is another piece, as
19 you can tell this was made from much thinner steel and
20 certainly doesn't have the load-bearing capabilities
21 of the other bar grate.

22 Plank grating or safety grating is made by a
23 single sheet and punching out the holes. As you can
24 tell the serration here is designed to make sure that
25 you don't slip. It's got very narrow applications,

1 and typically it's broken or roll form to give it the
2 edge to where it lays down, and this needs to fasten
3 onto something.

4 These products are not interchangeable.
5 Because expanded metal grating and safety plank
6 grating are typically not used in load-bearing
7 applications, and are not suitable for heavy load-
8 bearing applications. They are not interchangeable
9 with steel grating. In fact, the load-bearing
10 capability of steel grating is several times that of
11 expanded metal grating and safety plank grating.
12 Steel grating will support loads up to several hundred
13 pounds or more per square foot. At mid section it's
14 expedientially stronger than expanded metal and safety
15 plank grating. Additionally steel grating can be used
16 for wheel traffic while expanded metal grating and
17 safety grating cannot.

18 In terms of customer and producer
19 perception, because steel grating, expanded metal
20 grating and safety plank grating have distinct
21 manufacturing processes and different applications,
22 these products are viewed differently by our
23 customers. In fact, the National Association of
24 Architectural Metal Manufacturers and American
25 National Standards Institute have separate divisions

1 and technical standards for expanded metal grating,
2 safety grating and steel bar grating; further evidence
3 that producers and users view these as separate
4 products. These products simply are not
5 interchangeable. When specified on the job, you would
6 never substitute one product for another.

7 Additionally,, while steel grating and
8 expanded metal grating and safety plank grating may be
9 produced in the same production facility, these
10 products are manufactured on completely different
11 pieces of equipment and generally produced by separate
12 groups of employees. The ITC staff saw this when they
13 visited the AMICO facility in Alabama this past
14 Tuesday.

15 As I noted earlier, the processes are also
16 substantially different and begin with steel inputs
17 that continues through the manufacturing process.

18 In terms of price, steel grating is
19 significantly more expensive than expanded metal
20 grating due to the greater amount of steel involved in
21 the different manufacturing processes, and I'd be
22 happy to answer any questions when the testimony is
23 over. Thank you.

24 MR. PRICE: Thank you. Finally, on behalf
25 of the workers in this industry, I'd like to introduce

1 Mr. Mark McElhinney of the USW.

2 MR. McELHINNEY: Actually, it's McElhinney.

3 I'm Mark McElhinney. I'm an employer at
4 Fisher & Ludlow Saegertown plant. I'm here today to
5 speak to you behalf of my fellow workers at Fisher &
6 Ludlow, steel grating plant in Saegertown,
7 Pennsylvania. I'm here as both a worker and a union
8 member. Besides my job at the steel grating plant,
9 am also the steward for the Local 1917-2 United Steel
10 Workers. We represent 44 workers in the Saegertown
11 plant, not including the seven that was just laid off.

12 You have probably not heard of Saegertown.
13 It's pretty small. We only have one stop light. We
14 are about an hour and half north of Pittsburgh. I
15 live on a farm outside of Saegertown my entire life.
16 My farm has been in my family for 120 years. My whole
17 life is there as are the lives of the 44 other workers
18 at the steel plant.

19 We are scared that the Chinese imports are
20 going to shut the place down. Two Fridays ago Fisher
21 & Ludlow laid off seven of the 50 some guys in my
22 shop. That's 12 percent of the workforce. I'm not
23 surprised because business has been getting bad.

24 I first worked at Fisher & Ludlow from 1992
25 to 1995. After that I took another job where I was

1 forced to travel 100 miles each way in order to work
2 and that was because there simply wasn't that many
3 jobs around the Saegertown area. In October of 2007,
4 I returned to the Saegertown plant. At that time we
5 were very busy. Shifts were going around the clock
6 and we were working 10-hour days. We got all the
7 overtime that we could ever want and there were plans
8 to expand the shop.

9 Then in the spring of 2008, things began to
10 slow down a lot. Up until then we were running the
11 machines 24 hours a day. Currently we are running
12 them about 12 hours a day. Our sales are down by
13 about 40 percent. Skilled laborers had to sit around
14 and do maintenance type jobs, painting safety lines,
15 and putting safety guarding around the machinery.
16 Plans to expand the plant have been put on hold. It's
17 only a matter of time until Fisher & Ludlow start
18 letting more and more workers go.

19 These are not high-paying jobs to begin
20 with. Our average yearly salary is 24 to 28 thousand
21 dollars, or about 12.50 an hour on average for the
22 employees. But something is better than nothing.
23 Unemployment doesn't pay a whole lot. I want to read
24 to you the names of the seven men that got let go a
25 couple of weeks ago. They are: Cory Bliss, Brian

1 Johnson, Edward Geeson, Ray Proper, Brandon Sutter,
2 Matthew Corbin, and Robert Rule.

3 These are all young men. Most of them have
4 children and are losing their health insurance at the
5 end of the month, so it's going to put a burden on our
6 county assistance programs and they are just getting
7 overwhelmed. When business picks back up by these
8 workers, it will take a long time to replace.

9 In our factory every worker is trained in
10 the entire production process which means it takes at
11 least a year to have a fully trained employee.
12 Machines are specific to the steel grating industry so
13 no one walks in off the street knowing how to do this
14 type of work. So layoffs that are happening now are
15 going to continue to hurt us further down the road.

16 Other people have spoken today about how the
17 Chinese dumping affects steel grating companies. I
18 ask you to think about how Chinese dumping affects a
19 young family in Saegertown, Pennsylvania, and in other
20 towns Chinese dumping means that factories are slowing
21 down and workers are losing their jobs.

22 I'm an American citizen. I don't ask my
23 government for much. One small thing I am asking for
24 is for a fair chance to compete against these Chinese
25 products. On behalf of the workers of my industry I

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1 ask you to please give us relief from these illegal
2 imports. Thank you.

3 MR. PRICE: Thank you, Mark, and I apologize
4 for mispronouncing your name.

5 That concludes our direct testimony here.
6 We are available to answer questions and look forward
7 to doing so. Thank you.

8 MR. ASCIENZO: Thank you very, very much for
9 the direct presentation. I want to thank you again
10 for coming here today to testify in front of us.
11 Before we start the questioning, these exhibits, are
12 they going to be appended to your brief?

13 MR. PRICE: Yes, they will be.

14 MR. ASCIENZO: Okay, thank you. And can we
15 pass those around so we can take a look at them?
16 Thank you very much. The physical exhibits. Thank
17 you. And I'm going to start the questioning this
18 morning with Edward Petronzio, the investigator.

19 MR. PETRONZIO: Good morning, Ed Petronzio,
20 the investigator. I just want to welcome you guys
21 here today.

22 If we could start just with a little bit of
23 background on the product itself. Mr. Scott, you
24 mentioned the different types or different methods
25 that bar grating is produced, either press locked or

1 welded or swage locked. I was just wondering -- a
2 very basic question -- why are there different types
3 and is this a customer preference, or where are the
4 distinctions and why these exist?

5 MR. SCOTT: First, be careful of those
6 edges, especially on the expanded, can be sharp, and
7 when they pass around the plank, those could be sharp
8 too. Normally we hand out gloves and stuff.

9 MR. RUTTER: Just to clarify, you're talking
10 about different methods of construction of bar
11 grating?

12 MR. PETRONZIO: That's correct.

13 MR. RUTTER: Some of it was developed
14 through basically history. Riveted product had been
15 around for a longer period of time, and it has in some
16 applications a distinct advantage as does the pressed
17 lock which is pieces. Bearing bars and cross rods are
18 pressed into a precut slot in an interference fit. In
19 some applications that has an advantage over the
20 welded type. But generally speaking the welded type,
21 which is the samples you're seeing there with the
22 round rod welded across the time, is by far the lion's
23 share of the market.

24 MR. SCOTT: If I can add. If you look at
25 the piece not, the black piece that you've got, when

1 you compare that against the pressed lock grating
2 that's over the subway vent, if you were walking down
3 the street with a pair of heels and you stepped on
4 that, it would be an issue. So the press allows you
5 to get the bars closer together and still maintain air
6 flow through it where that is perfectly suitable for
7 enough load bearing that you would be able to run
8 wheels over it or where workers are wearing safety toe
9 shoes.

10 MR. PETRONZIO: Okay. And are these
11 different methods, are they used on the same machinery
12 and equipment worker use? Are there any differences
13 there?

14 MR. RUTTER: No, each method would have its
15 own manufacturing machinery and method of assembly to
16 get it together. I'm sure in some applications --
17 again we're just talking bar grating -- you could have
18 the same workers but it's doubtful. They would
19 generally be in different areas of the plant, but
20 definitely different machineries and different
21 assembly.

22 MR. PETRONZIO: Okay. I have a question for
23 you, Mr. Rutter. I wonder if you could give us some
24 background about your entry into the market. You
25 mentioned that you began U.S. manufacturing with your

1 acquisition of Tru-Weld. Could you give us some
2 background as far as what the market conditions were
3 at the time as far as demand and were there a lot of
4 obstacles to enter the market?

5 MR. RUTTER: Well, we purchased a long
6 standing grating manufacturer in the United States.
7 It was called Tru-Weld Grating who had a couple of
8 manufacturing locations, and a sales office and some
9 distinct market penetration at that time, and they had
10 been around for quite a number of years. So through
11 the acquisition of that company it was would say
12 relatively easy, but it was a continuation of the
13 company's presence in the U.S. market.

14 MR. PETRONZIO: Okay.

15 MR. RUTTER: So that was really -- prior to
16 that Fisher & Ludlow had several distribution centers
17 in the United States that we supplied from the
18 Canadian manufacturing plant. So this allowed us to
19 get the economies of scale and supply those
20 distribution centers through our U.S. manufacturing as
21 well.

22 MR. PETRONZIO: Okay. And do you have any
23 comments about as far as the market demands at the
24 time, '05-06?

25 MR. RUTTER: It has been, I guess,

1 relatively good. It was a strong market through most
2 of that period. I wouldn't say it was off the scale,
3 jump up and down happy, but it was a robust market
4 through most of that time.

5 Steel grating is a very mature marketplace
6 product. It very much follows sort of just how the
7 general economy and the industrial construction goes.
8 If you knock the price of steel grating down in half,
9 there is not going to be one more square foot in the
10 United States than if it was twice the price. It's
11 very inelastic demand. Either you need it to fill an
12 area in a plant or you don't. But it's just steel
13 grating is cheaper. You're not going to build a plant
14 to have someplace to put it. So it was relatively
15 robust at that period.

16 MR. PETRONZIO: Okay. And in the same
17 period you generally mentioned this is when the
18 Chinese imports started coming in around '06?

19 MR. RUTTER: Yes.

20 MR. PETRONZIO: What sort of markets were
21 they targeting and were the targeting sort of the same
22 markets that you initially were going after?

23 MR. RUTTER: Well, the oil industry is a
24 particularly large user of grating, the oil refineries
25 or offshore oil platforms. So the first market that

1 we saw the Chinese in was around Houston. Of course,
2 it's an easy port to have import come into so you're
3 landing grating in the middle of a very robust grating
4 market, so it was, I guess, easy pickings for them if
5 you want to call it that. They could identify the
6 larger grating customers relatively easy, which I
7 think anybody could just through the Internet or just
8 talking to a few people you could identify some of the
9 larger users quite easily, and that was their first
10 targets.

11 MR. SCOTT: I think it's important to point
12 out they didn't target any market. They found a
13 product that they can make steel turned into a
14 finished product and they decided to go sell it. So a
15 lot of our customers buy multiple steel products,
16 whether they are plate beam structural tubing, and
17 they saw that there was bar grating there, and they
18 decided to go ahead and bring in bar grating. They
19 didn't come in and do an analysis and target the
20 markets. They found the product that they could sell
21 and they pushed it.

22 MR. PETRONZIO: Is there any difference that
23 you see between the Chinese-made bar grating and the
24 domestically-produced bar grating?

25 MR. RUTTER: None. It's totally

1 interchangeably, 100 percent. Even as a manufacturer,
2 we would have a hard time telling them apart.

3 MR. SMITH: One of the things that we see as
4 an anomaly which Chinese grating is that it's not
5 marked with country of origin. And so we could bring
6 in panels put them here on the floor and you couldn't
7 distinguish them. They are completely
8 interchangeable, and there is no distinguishing marks.

9 MR. PETRONZIO: Are you aware of any changes
10 in the Chinese export -- in the value-added tax rebate
11 as far as what the Chinese offers to their produces to
12 export steel grating? Has there been any recent
13 changes or what is the current status of that?

14 MR. RUTTER: No, there isn't. There has
15 been no impact. They continue to dump and bring as
16 much grating into the country as they can bring it,
17 and there are stockpiles of it all around the country,
18 particularly on Southwest, in the Texas area. There
19 are a number of warehouses full of bar grating right
20 now.

21 MR. BRIGHTBILL: I'm Tim Brightbill. There
22 is a VAT rebate that we mentioned in our petition, but
23 we'll reference that in our brief and we'll check as
24 to whether that's changed or not during the period.

25 MR. SCOTT: We get that information, like a

1 lot of people, we get it from the American metal
2 market, and we see, depending on whether the VAT goes
3 up or down, we see no change in the way they behave in
4 marketing their product based on price in the states:
5 none.

6 MR. RUTTER: I would just like to reiterate
7 that because that's the same experience we have is
8 when you think you might be having some relief because
9 you hear there is an added cost that they would have
10 to pay it makes no difference whatsoever. They just
11 adjust their price accordingly. It's the same thing,
12 it's whatever it has to be to be 15 to 25 or even more
13 percent below the market here. What happens offshore
14 doesn't seem to have any impact.

15 MR. PRICE: Alan Price, Wiley Rein.

16 Actually two things: I'll remind my
17 witnesses to try to introduce themselves. It might be
18 easier for everyone dealing with the transcript.

19 But one of the things that the Commission is
20 aware from numerous other cases, if you examine the
21 Chinese government's central plans, and yes they still
22 operate based on central plans, there is a deliberate
23 encouragement of selling downstream product to employ
24 more people, and the economy is organized that way,
25 and it is continuing. That is an emphasis of China,

1 and to the extent you see various VAT changes
2 recently, it's just to encourage more exports because
3 China wants to export its way out of the current
4 crisis that it's in, and that's obviously very harmful
5 to the U.S. Thank you.

6 MR. PETRONZIO: I just have one more
7 product-related question for Mr. Rutter. Mr. Smith,
8 you mentioned that you send your product out to be
9 galvanized and it might come back or it might ship
10 from where it's galvanized. Mr. Rutter, do you send
11 out to galvanize your product as well, or is that done
12 in-house?

13 MR. RUTTER: No. All of the grating
14 manufacturers in the United States does that as an
15 outside purchase, and it just depends on what the
16 grating's ultimate use is going to be for; whether
17 they need that corrosion protection on it or not. And
18 galvanizing is a significant cost adder. In most
19 sizes of the grating it can be 15 - 20 percent of the
20 total cost of that product is just in the
21 galvanization. So again when they throw it in for
22 free, there is another 20 percent discount to that.

23 I'm sorry. I should have identified myself.
24 I'm Brian Rutter.

25 MR. PRICE: Two points I would like to add

1 to this in discussing this with our clients. One of
2 the reason that galvanizing is done outside is really
3 because the U.S. environmental regulation, and as Joe
4 has described, if you go to China the environmental
5 controls are almost nonexistent on these products, and
6 so it's another form of subsidy or unfair competition
7 is environmental controls that exist in China today.

8 MR. PETRONZIO: As far as the fabrication of
9 the product once it leaves your factory and as you
10 said your main customers are distributors and service
11 centers, to what extent does the bar grating that
12 leaves your factory go through significant fabrication
13 alteration by the distributors or by the service
14 centers? In terms of value added what do these
15 customers kind of add to the product? Is it
16 significant? Is it in any way the same product or
17 what sort of alterations take place there?

18 MR. SCOTT: Well, a typical fabricator or
19 someone who is going to alter the standard product
20 would cut it with a saw or a welding torch, cutting
21 torch; maybe add some plate around the perimeter of it
22 to close it off so that it can fit in a structural
23 frame of some sort. It's not a very elaborate thing.
24 It can be done just about by anybody with a cutting
25 torch. So it's a fairly easy process.

1 We manufacture standard size grating and we
2 sell it through our distribution market, and people do
3 all kinds of things with it after it leaves our house.

4 MR. RUTTER: It's Brian Rutter.

5 Just to add to that, a very large portion of
6 it gets used pretty much as is. If it's going into a
7 large floor area, they can take the standard panels
8 and just lay them all in and go from there. And
9 service centers typically do not do much with it other
10 than the redistribution of it. Sell it out to the
11 factories or wherever else, small fabricators from
12 there.

13 MR. PETRONZIO: In the circumstances that an
14 importer would bring in Chinese product, is that
15 product in a semi-finished form? Are they doing a lot
16 of fabrication or are the Chinese producers doing the
17 fabrication themselves according to the specifications
18 that they receive?

19 MR. RUTTER: Typically from what we've seen
20 so far, no, it's just a standard product that has come
21 in. It varies in length and it can vary in width, but
22 it's really just an area that it's trying to cover.

23 MR. SMITH: They are matching our standards.
24 Our standards are 20 foot long, 24 foot long, three
25 foot wide, and they are right on top of them, and

1 they're highest volume products and they pick that
2 size and bring it in all to our standards.

3 MR. SCOTT: This is Mike Scott.

4 You know, if you look at the two pieces of
5 bar grating that are in front of you, the black one
6 has a closed end, which is what we refer to as
7 banding. Technically a service center, if you ask
8 them, they might-- you know, the closed end at the end
9 is just a band. It doesn't come as part of the bar
10 grating panel. That's welded on the end. Service
11 centers may call that fabrication, but that's just
12 putting a band on the end.

13 So could that come in from China?

14 Absolutely. Could it come in with a cut out on it, a
15 notch so you could rest it on a post? Absolutely. It
16 does not now because the service centers do. You
17 know, that simple modification of a panel we wouldn't
18 consider to be significant, yet some people call that
19 fabrication.

20 MR. PETRONZIO: Okay. That's all I have.
21 Thank you very much.

22 MR. ASCIENZO: Thank you very much, and now
23 we turn to Gracemary Roth-Roffy, the attorney/advisor.

24 MS. ROTH-ROFFY: Good morning. Thank you
25 for your testimony. It was very helpful.

1 Fortunately, it's limited my questions.

2 My first question is you refer to it as bar
3 grating. Is there any other product out there, like
4 say made of metal, that is also referred to as bar
5 grating, and used for the same kind of load-bearing
6 applications that steel bar grating is used for?

7 MR. SCOTT: I can't think of any. I'm not
8 aware of any product that is referred to as bar
9 grating that is similar that's not bar grate. And
10 it's bar grate because it's got a bar, a bearing bar
11 and a cross rod and that's called bar grating.

12 MS. ROTH-ROFFY: Well, what about aluminum
13 bar grating? I know it's mentioned in the petition.
14 Why wouldn't say a lighter weight steel bar grating be
15 used versus aluminum?

16 MR. SCOTT: I guess the way I would put that
17 is it's pretty -- you would never substitute steel for
18 aluminum because steel can't perform like aluminum
19 mostly in a corrosive and/or chemical environment.
20 Steel will corrode and aluminum will not. You would
21 never use aluminum for a steel application because
22 aluminum is much more expensive and in many cases you
23 cannot get the load-bearing capabilities out of
24 aluminum that you can out of steel. So the two are
25 never substituted. You never have a choice on a

1 project whether you use aluminum or steel.

2 MS. ROTH-ROFFY: I also understand aluminum
3 has -- what little I know about aluminum -- non-
4 sparking capabilities and that's why it would be used
5 as referenced in the petition water treatment plants,
6 basically it wouldn't start a fire.

7 MR. SCOTT: That's true. It's also used in
8 water treatment plants. You tend to have more
9 corrosive environments --

10 MS. ROTH-ROFFY: Okay.

11 MR. SCOTT: -- and you would be replacing
12 steel grating on a yearly basis. So water treatment
13 facilities. In certain areas of the water treatment
14 facilities where aluminum is specified, there is no
15 steel option, and where steel is specified at some of
16 those facilities you would never use aluminum because
17 of the expense, and in fact you can't get the load-
18 bearing capability.

19 MR. RUTTER: It's Brian Rutter.

20 Just to add, the same -- sometimes
21 fiberglass is referred to as a bar type of grating,
22 but it's the exact same argument as it is for
23 aluminum. You would have to use fiberglass in an
24 application because of the very corrosive environment,
25 something that steel or aluminum just wouldn't exist

1 in very long, but again they are not interchangeable.
2 Either you have to have it or you don't, and if you
3 don't have to have it steel is by far the most
4 economical high-performance material for it.

5 Even though it's always called or referred
6 to as bar grating, the bars make their way into life
7 from different sources. they can be a hot-rolled bar
8 from a steel mill that comes out just like that in a
9 bar, or a very large portion of it also comes out as a
10 coil, and slip into a bar. So coils are plates and it
11 becomes into a bar after processing, so the source
12 material has several different origins.

13 MS. ROTH-ROFFY: Thank you. Apart from the
14 material that's being used, in terms of the actual
15 design of the grate that you make, are there certain
16 set patterns that are made by you or does the customer
17 specify it?

18 MR. SMITH: This is Joe Smith. I'll
19 remember to say my name.

20 Bar grating is made to NAIMM standards,
21 National Association of Architectural Metal
22 Manufacturers. They are standard set dimensions and
23 characteristics for the size of the bar and it's all
24 been determined by how much load you want to carry and
25 what span you want to cover. So it's really dictated

1 by mechanics, material, mechanics and we make pretty
2 much all standard products.

3 If an engineer would come in and say, I want
4 a special grating, we could manufacture that, but it
5 would be on him the onus to make sure it had the
6 safety factors designed in and all that type of thing.
7 Our primary product is all built to a standard
8 catalogue type product, and I think I gave Ed and Karl
9 one when they came in and saw how expansive the line
10 it. They got it. Thank you.

11 MR. SCOTT: This is Mike Scott.

12 Typically, our customers will pick up the
13 phone or send us a fax and say, I need X amount of
14 this, and they refer to the panel as a 19.4, inch and
15 a quarter by 3/16ths, and they say, that's how many
16 panels I need. And then our sales people get back to
17 them within an hour with a price, and either we get
18 the order or we don't. I mean that's 80 percent of
19 our business is conducted that way, and it happens
20 everyday, and as Joe said, I hope it's happening this
21 morning.

22 MS. ROTH-ROFFY: In the petition -- I'm
23 sorry, go ahead.

24 MR. PRICE: Let me just add one thing
25 though. That when it's done that you just heard this,

1 and we've seen it, we showed it in the lost sales and
2 lost revenue report, it's quoted on a square foot
3 basis, on a footage basis.

4 MS. ROTH-ROFFY: Right.

5 MR. PRICE: That's the way it's sold, and,
6 you know, it's a standard size, you sell it based upon
7 the price per square foot.

8 MS. ROTH-ROFFY: Okay, in the petition you
9 indicate that steel gratings is produced in mat and
10 panel forms. What would a mat form be used for and
11 what would a panel form be used for?

12 MR. RUTTER: Really the same term.

13 MS. ROTH-ROFFY: The same term?

14 MR. RUTTER: Yeah, we use those descriptors
15 interchangeably. So the panel, a panel is a mat. We
16 make them as standard, or the vast majority of the
17 product just comes out as a standard size. I think
18 Joel mentioned that it's either 2 or 3 feet wide, and
19 24 feet long is by far the largest volume of that.
20 And then they would be shipped out either to a
21 redistribution most of them, so that a steel service
22 center would stock that and wait for his call. And
23 steel service centers carry hundreds of different
24 steel items. And so, an end user would call him and
25 say, you know, I need this much grating, this much

1 channel, this much, and they would put it on a truck
2 and sell them to him.

3 MR. PRICE: Alan Price. One of the things
4 in talking to our clients about this product in
5 particular, which is a little different than some
6 other products, is that it's got a tremendous shelf
7 life to it. I mean it's designed essentially to go
8 into an application for years and years and years. So
9 the fact is you get this enormous slug of imports, it
10 just sits in the service centers. And so it's just
11 this enormous volume out there. And it doesn't age,
12 it's not like it goes bad or anything. So it's a
13 little different than a lot of other things you often
14 deal with.

15 MS. ROTH-ROFFY: I was thinking of, you
16 know, like the grates that you would have on say a
17 building protecting windows, it has a certain
18 architectural look to it, so I was just curious as to
19 whether or not, you know, sometimes designer look
20 comes into how you manufacture a product for a
21 particular customer.

22 MR. SCOTT: No, for most of our grating it's
23 a flooring application, there's no aesthetic value to
24 it at all. You know, if there's going to be some
25 architectural or aesthetic value that's going to be

1 used as a windscreen or sun screen, typically then an
2 architect is looking at a wide variety of products,
3 including, you know, the expanded metal, fiberglass.
4 So they typically aren't interested in the
5 characteristics of the flooring. Yet they can be
6 interchangeable, but most of what we do is strictly a
7 flooring application through service centers.

8 MS. ROTH-ROFFY: And I think that's the end
9 of my questions. Thank you.

10 MR. ASCIENZO: Thank you very much. And we
11 turn now to Amelia Preece, the economist.

12 MS. PREECE: Thank you again for all you've
13 told us so far, it's been very useful. I have
14 actually more questions now than I did before, which
15 is unfortunate, I hate that. First of all, you talk
16 about press and you mentioned swage. Is there a
17 difference between press grating and swage grating?
18 Michael Scott, you were the one who mentioned those
19 two.

20 MR. SCOTT: Yes there is, but I am the sales
21 guy, so Joe could probably answer that question. They
22 are distinguishable, and there are different
23 manufactured types.

24 MS. PREECE: Okay, I'd like to.

25 MR. SMITH: Yes, this is Joe Smith. A press

1 lock grating, it really refers to the manufacturing
2 process. Press lock is where you take two pieces of
3 metal, you slice a slice into them, and then you press
4 them together. And so the two pieces or three pieces
5 of metal are actually locked together by press, it's
6 press lock. So it's a force that drives it together.
7 It is not welded, there's not friction there that
8 holds those together, it's just simply the friction
9 between the two pieces.

10 And so it has varying types of applications.
11 If you're going to suspend something from it or you're
12 going to drive heavy equipment on it, it's potential
13 that that friction would let go, where a weld
14 physically joins two pieces of metal together. So bar
15 grating with a cross bar is welded together, so that's
16 physically a stronger weld. So press lock.

17 Swage lock is where we would insert a bar
18 through the center of the bar, we drill a hole and
19 insert a bar, and then we would crimp the round bar on
20 each side of it to hold it in position. So again, the
21 bar, depending on how closely you control that
22 tolerance, isn't welded in place, but because of
23 swaging the ends, it's again the name of the process,
24 it holds the bar in position. So neither press lock
25 or swage lock are welded fixations of the product.

1 MS. PREECE: And swage then is more used in
2 aluminum, is that correct?

3 MR. SMITH: That is correct.

4 MS. PREECE: And do you sell any swage of
5 steel? Swage lock steel grating product?

6 MR. SMITH: I don't believe that's in our
7 catalog. Is it in your catalog?

8 MS. PREECE: Does anybody sell any of this?

9 MR. SMITH: Yes.

10 MS. PREECE: You do sell that, so that is a
11 possible, so there are four then categories, the
12 welded, the bolted, the swaged, and the pressed?

13 MR. SMITH: That's correct.

14 MS. PREECE: Okay.

15 MR. SCOTT: This is Mike Scott. You know,
16 before we talked about that some of the products are
17 not interchangeable, steel with aluminum, steel with
18 fiberglass, plank against grating. Pressed, swaged,
19 and riveted, those four categories are in fact
20 interchangeable in a lot of applications. Even though
21 it calls for a regular welded bar grating, if all you
22 want to do is provide pressed, you can in fact
23 substitute pressed for welded. They're all bar
24 grating, they're all somewhat and in a lot of cases
25 very interchangeable, unlike the other products that

1 are not interchangeable.

2 MS. PREECE: I thank you, that's useful.

3 MR. SMITH: If I could add something, this
4 is Joe Smith again, they are interchangeable, but the
5 thing that we've got to really understand here is that
6 everything has to meet design criteria for load
7 bearing capability and span. And just because bar
8 grating is bar grating and swage is bar grating and
9 all that type of thing terminology wise, there's still
10 a safety requirement, a load carrying requirement, and
11 that's what dictates how thick the bars are, how heavy
12 the bars are, and what type of process is used to
13 manufacture the bar. So it really goes back to, what
14 are you using it for?

15 MS. PREECE: Thank you. Let me sort of work
16 on this, chew at this, I'm sorry I have to do it, but
17 I wanted to do this while I had you all as captive.
18 In the questionnaires I've been receiving we've got a
19 number of products that they say are substitutes,
20 plank, resin decking, checker plate, and B decking.
21 What are these things?

22 MR. RUTTER: Okay, the B decking is bridge
23 decking, and all they're really saying there is it's
24 the very heavy form of grating to be a bridge floor.

25 MS. PREECE: Okay, so that's not a

1 substitute, it's the product?

2 MR. RUTTER: Yes.

3 MS. PREECE: That's fine, that's great, that
4 helps me a lot. Checker plate?

5 MR. RUTTER: Checker plate is just a solid
6 plate of steel with little raised nubs on it for
7 antislip.

8 MS. PREECE: Okay, great, I understand.
9 They also mentioned expanded metal which we've already
10 talked about. Resin decking, that would be the
11 fiberglass?

12 MR. RUTTER: Fiberglass equivalent, yes.

13 MS. PREECE: Okay, and plank would be?

14 MR. RUTTER: Plank is the safety grating.

15 MS. PREECE: Safety grating, okay.

16 MR. RUTTER: Would be the plank.

17 MS. PREECE: Okay, it helps because people
18 say, what are you talking about? And I don't know
19 what I'm talking about, so I want to know. Okay, so
20 these were mentioned as being substitutes.

21 MR. SCOTT: Excuse me, I don't think checker
22 plate would be a substitute for bar grating.

23 MS. PREECE: They were mentioned, somebody
24 said that they could be used, and I'm sure that there
25 are instances where they can, and I mean I think

1 you've made a very good case that they're not good
2 substitutes, but that's all right. You know, it's
3 just we don't want to waste our time on that too much.
4 Too much, a little bit of time wasted is fine. Okay,
5 I've heard somebody said that the Chinese product
6 sometimes is underweight. What does that mean and by
7 how much would that be reasonable?

8 MR. SCOTT: If you look at those two samples
9 of bar grating, underweight would mean if a bar is
10 supposed to be -- and this is Mike Scott, sorry.
11 3/16ths of an inch wide, it could be a little bit less
12 than that, and because there's so many bars that's not
13 discernible to the naked eye, you'd have to go in and
14 measure every single bar.

15 MS. PREECE: But you could weigh it and find
16 that difference?

17 MR. SCOTT: You could, yes.

18 MS. PREECE: And if I were looking at the
19 pricing as I've collected it, I'd ask for feet and
20 kilos, and then the value. If I looked at the ratio
21 of feet to kilos I should find a difference sometimes
22 between the U.S. and Chinese product, is that
23 basically what you're saying there with this
24 underweighting product?

25 MR. PRICE: Alan Price, Wiley Rein. Yes,

1 it's essentially what we're saying. The product is
2 sold on a foot basis, the customers don't perceive
3 that, you know, don't understand that there is a
4 difference there, but if you compare it on a kilo
5 basis, you'll actually come up with a slightly
6 different result because of the underweighting that's
7 going on. Which brings us to another issue which is
8 in fact if you look at market share and you measured
9 it on a square foot basis, which the data, that wasn't
10 collected in outside of the pricing series, but in the
11 normal trade data set in fact the Chinese import
12 penetrations would actually be larger and you can see
13 that from the pricing series data.

14 MS. PREECE: Could somebody, I mean I don't
15 want it right now necessarily, but just an estimate of
16 what percent difference there would be between the
17 U.S. and the Chinese product for my usefulness in just
18 understanding what's going on. One of the things as I
19 look at the data and I say, does this make sense? And
20 one thing I'm looking at is, the Chinese may be
21 lighter than the U.S., does this make sense? Is this
22 something that's truly going on or is this bad data?
23 And so I want to get an idea.

24 MR. PRICE: I'd like to spend more time and
25 answer that in the postconference brief.

1 MS. PREECE: That would be great, perfect.
2 Okay, we start off with the steel, you say that 60 to
3 70 percent of the cost of grating is the cost of
4 steel. If I were a customer of yours would I say,
5 okay I know the price of steel, therefore I think the
6 price of grating should be X percent? Would that be
7 how a customer would be coming into negotiation with
8 you?

9 MR. RUTTER: To some extent. Usually you
10 get more of, hey the price of steel is down 10
11 percent, how come your grating price isn't down? Or
12 why is yours down 12 percent? So they do recognize
13 the correlation between the two. But because they
14 don't fully understand the cost structure of the other
15 40, they wouldn't come in and say, hey steel is X
16 therefore I'm only giving you X plus 5 percent.

17 MR. SCOTT: This is Mike Scott. I wish it
18 was that simple that we would be able to do math and
19 price our product. The truth is we have to be
20 competitive. As I mentioned earlier, we get in a call
21 today, we know the price of steel is going up, my
22 selling price in a week will be lower than the selling
23 price today because I'm competing against products out
24 of China that, the steel price we're paying is
25 irrelevant to the way they're pricing the product. So

1 today we're going to lose, if I priced according to
2 steel we wouldn't sell a pound, a square foot.

3 MS. PREECE: What would be a reasonable
4 relationship between the price of steel and the price
5 of grating if you were, you know, this is the normal
6 kind of thing assuming that there's not the Chinese in
7 the market that are disrupting as you say?

8 MR. SCOTT: This is Mike Scott. I would
9 rather answer that in a little more detail because
10 I've got some proprietary stuff.

11 MS. PREECE: Good, fine. Okay, this product
12 is sold by NAAMM, or ASTM centers, is that correct?

13 MR. SCOTT: Yes. Mostly National
14 Association of Architectural Metal Manufacturers,
15 commonly referred to as NAAMM.

16 MS. PREECE: Okay, so NAAMM and ASTM.
17 You've got to pronounce these things properly, it's
18 important. Is it possible to sell product that
19 doesn't meet these standards?

20 MR. SCOTT: Absolutely. The standards are
21 voluntary. You don't have to be a member of NAAMM to
22 say you manufacture to standards, and there's no
23 certification. So anybody can say they manufacture to
24 NAAMM standards and sell it whether it applies or not.

25 MS. PREECE: Whether it's actually fitting

1 the standards or not. So if I were buying I'd have to
2 look at the material to say, okay, yes it actually
3 does fit the standards?

4 MR. SCOTT: And there are a lot of specific
5 dimensional and integrity standards of NAAMM that
6 would be very difficult to do that. They trust the
7 producer to adhere to NAAMM.

8 MS. PREECE: Sorry, I'm looking at my
9 questions and so. Most of this product is sold
10 galvanized, is that correct?

11 MR. SMITH: This is Joe Smith, I think in
12 our business we would see that the majority of the
13 product would be sold without galvanizing.
14 Galvanizing as a process is done to protect it, to
15 prevent corrosion. So depending on the application,
16 would dictate whether or not you galvanize or don't
17 galvanize product. However, importing grating from
18 China, we see a fairly substantial amount of
19 galvanized product, and the problem there, and I think
20 I explained it maybe to Carl, is that once you
21 galvanize a product it's difficult to change the
22 process because, you've got to weld something to it or
23 cut it, fumes come off of galvanizing.

24 So galvanizing standard panels and using
25 them as standard panels is a method of having product

1 come in, and Chinese are bringing that in so that it
2 can withstand the four weeks on the water it takes and
3 the salt air that it has. So they are bringing in a
4 fair amount of galvanized product.

5 MS. PREECE: Do, I mean, you sell this fixed
6 sort of product, this sheets or mats or whatever
7 they're called, now, and then they go to somebody who
8 cuts them into steps or something, would they then
9 galvanize the steps, would that be a reasonable
10 expectation that that might happen?

11 MR. SMITH: That could happen, again
12 depending on whether it was going to be an exterior
13 step. It could go to a paint shop and be painted as
14 well. So the coating can be applied in different
15 ways, but if you're going to fabricate you're going to
16 probably fabricate in a plain configuration without
17 galvanizing and then have it sent out.

18 MS. PREECE: So for further fabrication it's
19 not galvanized, but for use as a sheet in a road bed
20 kind of thing it would be galvanized typically?

21 MR. SMITH: Could be, yes.

22 MR. RUTTER: It's Brian Rutter. Typically
23 it depends on the ultimate installation. If it's
24 inside a building or inside a manufacturing plant,
25 typically they will not go to the cost of galvanizing

1 because it's not needed. If it's outdoor application
2 or, you know, around a harbor or anything like that
3 where there's a lot more chance of it, they would
4 galvanize it or apply some other coating to the
5 surface to help it.

6 MR. SCOTT: Excuse me, this is Mike Scott.
7 As Joe mentioned earlier, because of the lack of an
8 additional charge for galvanizing of the Chinese
9 grating, we do see Chinese grating being used where
10 typically ungalvanized grating would be used because
11 the service centers have it at the same cost. So
12 there are some occasions where they put it inside
13 where normally they never would do that.

14 MS. PREECE: That makes perfect sense.
15 Okay, and page 9 of the petition, they talk about end
16 finishing including, may include addition of end band,
17 small weldments, or basic cutouts. Is this end
18 finishing considered to be part of the product as
19 defined in this investigation? And if so, how do I
20 know what's going on? Where does the line between
21 this and more complex, say making into steps?

22 MR. BRIGHTBILL: As we've talked about,
23 steel grating can be used in many applications just
24 the way it is, inside factories and oil wells, or it
25 can be customized for a job or an installation. So

1 the point when we mentioned in the petition is we want
2 to make sure that minor fabrication is not taking a
3 product outside of the scope. Cutting a panel in two
4 or cutting a notch out of the corner or something like
5 that. So and in that regard we would suggest that you
6 look towards the structural steel beam case where
7 there was a similar approach taken where there's a
8 difference between what is a truly fabricated
9 structural product versus something that is just
10 notched or painted or cambered or something along
11 those lines. So that's the difference that we were
12 driving at in the petition.

13 MS. PREECE: And why is this product not
14 sold using long term contracts do you think? Mr.
15 Scott?

16 MR. SCOTT: Mostly because of the volatility
17 of steel. You know, we buy steel on a monthly basis,
18 and therefore we've got to transact it, and with steel
19 at 60 to 70 percent of your cost you really can't
20 afford to fix into a long term contract.

21 MS. PREECE: Okay, I think that pretty much
22 answered my question. Great, thank you.

23 MR. ASCIENZO: Thank you very much. And now
24 we turn to Charles Yost, the auditor.

25 MR. YOST: Again, I'd like to join my

1 colleagues in thanking you all for your testimony
2 which I found very helpful. And is it, Mr.
3 McElhinney?

4 MR. MCELHINNEY: McElhinney.

5 MR. YOST: Thank you very much for your
6 appearance today. We tend to lose sight of the people
7 behind our investigations. I have a couple of data
8 questions unfortunately, and the auditor typically
9 looks at the domestic industry. So, Mr. Scott, I
10 understand what you're saying about the Chinese and
11 the possible light weighing of product where we would
12 be measuring unit values in dollars per kilo.

13 But typically when I look at the domestic
14 industry, I'm concerned about a number of issues, the
15 one is, has product mix changed over our period of
16 investigation? That would be the fully years 2006
17 through 2008 and the first quarters of 2008 and 2009.
18 In other words the typical mix of products that you
19 sell and produce, has that changed over this period?
20 Just in ball park.

21 MR. SCOTT: Ball park, it has not changed.
22 Mix is relatively, as Brian said it's a mature
23 industry, it's relatively stable.

24 MR. YOST: Okay, second question I have is,
25 I understand that stainless steel is included in this.

1 As a ball park what roughly percentage of the total
2 product sales is comprised of stainless steel?

3 MR. SCOTT: I don't know the industry
4 numbers, but from an AMICO standpoint I'd rather just
5 submit that in a brief.

6 MR. YOST: Okay. What I'm getting at is, if
7 product mix hasn't changed, does that affect our use
8 of average unit values? How good are the average unit
9 values? Might they be being affected by either
10 changes in product mix or inclusion of small amounts
11 of galvanized or other product that has a higher unit
12 value as compared to?

13 MR. SCOTT: I apologize, I probably
14 misunderstood earlier. When you're talking about the
15 bar grating market, the mix is relatively stable. If
16 you want our mix and how that's shifted over the past
17 couple of months or half a year, I'd rather again
18 submit that, that's proprietary information. So from
19 an industry standpoint, the consumption of bar grating
20 through a mix, because as Brian said it's typically
21 going into, you know, the same type of construction
22 projects, the mix is relatively stable for
23 consumption. Ours, I'd rather give you in a brief.

24 MR. YOST: Okay, that would be fine. Again
25 I'm looking at the aggregate for the industry.

1 MR. SMITH: If I could add, this is Joe
2 Smith. Our mix internally, and I'm going to speak
3 just kind of globally if I can so I don't give this
4 fellow here next to me too much information, has
5 changed a fair amount because the bread and butter
6 that we make, we don't sell anymore. So I've got to
7 go after this special stuff and the stuff that maybe
8 they can't make or they can't bring in, which may
9 include exotic metals or something different. It
10 includes going after architectural metal because they
11 can't make that in a standard panel and send it in
12 here. So I've got to shift my manufacturing
13 capability and look for markets that they can't get
14 into because I can't sell that grating at that pricing
15 anymore. So my mix has changed quite a bit.

16 MR. PRICE: Alan Price from Wiley Rein.
17 We'll collect each of our clients' data on this issue
18 in greater detail and provide it to you so you have
19 it. And we can answer accurately at that point rather
20 than sort of general comments and speculation.

21 MR. YOST: That would be great. Thank you
22 very much. You had discussed with my esteemed
23 economist friend here NAAMM standards. Do the Chinese
24 meet the NAAMM standards? Do they have to meet the
25 NAAMM standards? And does NAAMM send out, you know,

1 inspection teams to say audit your production
2 methodology like ISO standards?

3 MR. RUTTER: It's Brian Rutter. They do not
4 send out any inspectors. It's primarily our customers
5 that would keep us honest, if you want to say that.
6 That if you found your grating was not up to the
7 standard that were out there. But the Chinese can
8 claim as can anybody that they meet it. Whether they
9 actually do or not I guess is a little bit more
10 speculative.

11 MR. SCOTT: This is Mike Scott. We haven't
12 seen in the quotes that we receive or the quotes that
13 our customers share with us a quote that did not refer
14 to manufactured according to NAAMM MB-531 standards.

15 MR. PRICE: Alan Price, Wiley Rein. You
16 know, the U.S. market is kind of interesting because
17 you see standards, and a lot of other countries use
18 standards and have detailed audit requirements, and
19 they become in essence barriers to imports. In the
20 U.S., you know, everyone claims what they want. One
21 of the characteristics of this product is that it's so
22 generic, and so it's, you know, thrown down on the
23 floor.

24 It's not the type of product that gets a lot
25 of prequalification or anything going on with it. So,

1 you know, they claim to meet the standard, it gets
2 thrown on the floor and moves on, and no one's ever
3 going to figure it out afterwards. It's not marked
4 the country of origin, you know, if it's imported the
5 manufacturer's often unknown, traceability is not
6 exactly high on this.

7 MR. YOST: Thank you, fair comment. Now as
8 you know, we've sent out a number of questionnaires to
9 the domestic industry, to domestic producers and we've
10 gotten most of them back. According to the
11 preliminary data, the industry's making money. It was
12 making money in fact its operating margins increased
13 from 2006 through 2008 but then fell off in the first
14 quarter of 2009.

15 So help me if you would understand this
16 increase in the operating income for the industry
17 through 2008, and you may want to address this in your
18 postconference brief. But then the falloff in
19 operating income and the operating income margin
20 during the first quarter of 2009 down from the first
21 quarter of 2008, how would you distinguish the fall
22 from the imports say versus the general economic
23 downturn or financial crisis that we've been through
24 in the last year?

25 MR. RUTTER: This is Brian Rutter. There's

1 no question that 2006 through 2007 the markets were
2 decent markets. I would disagree a little bit on the
3 timing with 2008 in that it was about halfway through
4 2008 when it went over the cliff. This goes far far
5 beyond any difference we've seen in the economic
6 activity. We see the number of quotes we do all the
7 time because it is a spot buy so you can tell the
8 economic activity level there.

9 And this just goes far beyond that. It's a
10 result of this mountain of grating that landed on the
11 shores here in the second half of 2008. The regular
12 demand-supply equation just didn't make sense anymore.
13 It's just a wave of imports abnormally low prices that
14 just, it made our industry just drive off a cliff in
15 the latter half of 2008, and that's continuing through
16 2009.

17 MR. YOST: As a followup to that question,
18 can we rely on one quarter's worth of data or can we
19 expect to see either the impact of the business cycle,
20 the economic crisis that we're going through or and
21 the increase in imports play out over a longer period
22 of time?

23 MR. SMITH: This is Joe Smith. We believe,
24 and the data is fairly clear, that they have escalated
25 and stepped up the importation of grating into this

1 country. When the recovery happens in our market, we
2 fully expect that we're not going to maintain the same
3 amount of share. So regardless of what happens with
4 the inventory that's on the shore right now plus the
5 continued drive at bringing more in and continuing to
6 try to sell to our customers, we're going to have less
7 share and they're going to have more share. So I
8 don't anticipate a quick recovery, as a matter of fact
9 I anticipate that this is going to continue for a long
10 period of time because the amount of imports that
11 they're bringing in.

12 MR. PRICE: Alan Price, Wiley Rein. We've
13 already seen the death of one domestic producer in
14 this period, and we believe that the subject imports
15 are frankly a major factor in their exit. That is
16 significant evidence of injury. Often we get into
17 these issues of timing in these multiple cases, the
18 imports come in, retroactively you sort of look at it
19 and say, oh, you know, why didn't they react
20 immediately on each side?

21 Well, you see the imports come in, and they
22 come in and they come in, and sooner or later you
23 realize that these guys, that they tell you there's
24 not sales out there because the import volumes are in
25 inventory and now they're getting price quotes. So

1 the harm manifests itself now as they're competing
2 against the inventories that are on the ground and the
3 continue offers out there. So yes, you can rely on
4 the one quarter of evidence, that is significant and
5 substantial evidence of current material injury and
6 threat of material injury going forward.

7 There is no characteristic change in the
8 Chinese ability and volume to supply the U.S. market,
9 in fact the ramp up in the second half of 2008 is
10 truly astounding for almost any industry. In essence
11 if you actually looked at consumption in that period I
12 suspect we would find that China all of a sudden went
13 up to 50 percent of supply of apparent demand in the
14 second half of the year because of the way they ramped
15 up.

16 The foreign producers have elected not to
17 show up here to tell you what their future plans are
18 and their ability to supply the market or anything
19 else, but they obviously have a lot of supply aimed at
20 this market and dedicated for it and capable of
21 supplying it. So we think that there is both evidence
22 of injury caused by it that you can rely on the
23 quarter's data. We also think that there is also
24 substantial evidence of threat of material injury.

25 MR. RUTTER: Brian Rutter. I'd just like to

1 add further that it's more than one quarter. The
2 latter half of 2008 shows this particular damage to
3 the industry that's going on. And while it would be
4 nice to wait further, I have a hard time sitting down
5 in front of my fellow union guys and tell them to hang
6 on in the unemployment line for another quarter or
7 half while we can try and sort this out. You know,
8 the effect on these people's lives is happening now,
9 and it's severe. We feel as a company we have to
10 address it in any way we can.

11 MR. YOST: In exhibit 1 you've provided
12 import data particularly for the three full years and
13 broken down into the two halves of 2008. How long
14 based on your experience would it take for nearly
15 60,000 tons to get sold? I mean assuming it all came
16 in on one day, which is not possible I know, but just
17 assuming, does it take six months for it to be
18 absorbed or is this still in inventory?

19 MR. SCOTT: Based on the data we provided,
20 that would take somewhere between eight to ten months.
21 Well, it would be six months if nobody else was making
22 bar grating.

23 MR. PRICE: It's a massive amount of
24 inventory that comes in in a huge slug. It permeates
25 the market and causes injury over extended periods of

1 time. And this is not the first case the Commission
2 has seen this where you get these massive overwhelming
3 waves, and this is exactly what happened in a similar
4 case in Oil Country Tubular Goods recently, it's
5 exactly what happened here. It's this just tidal wave
6 that comes in and overhangs the market.

7 MR. YOST: Okay, Mr. Ascienzo, that
8 completes my questions. Thank you again, panel, for
9 all your very excellent testimony, I have very much
10 appreciated it and found it very useful. Thank you.

11 MR. ASCIENZO: Thank you very much. And now
12 we turn to the industry analyst.

13 MR. TSUJI: Hi, I'm Karl Tsuji. And one
14 thing about being the quantity industry analyst is
15 that most of my esteemed colleagues will have already
16 asked most of my questions for me. But I do have one
17 product question and one copyright question. The
18 product question is regarding the samples that were
19 brought in. I notice that the cross bars are usually
20 twisted, and I presume that's done to add rigidity to
21 the product, but then I notice on the sample that it
22 painted the cross bars are not twisted or otherwise
23 modified. What is the purpose of that?

24 MR. RUTTER: It's Brian Rutter. I'd have to
25 look at the painted one again, but it should be. I

1 believe the origin of it was to add some traction for
2 somebody walking on the top surface. Yeah, they are
3 twisted.

4 MR. TSUJI: Oh, okay, I did not realize that
5 the paint was covering up the twist. Fair enough.

6 MR. RUTTER: But to be real honest, we're
7 just assuming that was the origin of it. It's a very
8 mature product, it had that twisted cross rod as part
9 of the specification for 40 years or more.

10 MR. SMITH: And this is Joe Smith. In our
11 case, not to give any trade secrets but it does add
12 rigidity, it does allow for smoother assembly. So as
13 I pointed out on our trip through the plant, it is an
14 extra process that we do as opposed to just buy it
15 straight off a wire rod.

16 MR. TSUJI: Okay, thank you. And my last
17 question is, it's always helpful for the Commission to
18 see a picture of these products, particularly when
19 it's a product that has not been covered before. And
20 we have done this with previous Staff Reports that
21 I've worked on in the past, so we always like to ask
22 the representatives of the domestic industry for
23 copyright permission to reproduce their figures,
24 either from their catalogs or even from their web
25 sites to appear so we can put them into the Staff

1 Report with a suitable reference to the source.

2 MR. SMITH: You have our catalog and you can
3 use it at will.

4 MR. TSUJI: Thank you.

5 MR. SMITH: And if you want to buy grating,
6 I'll give you my phone number.

7 MR. RUTTER: Brian Rutter on behalf of
8 Fisher & Ludlow, feel free.

9 MR. TSUJI: All right, thank you very much.
10 Mr. Ascienzo, those will be my two questions.

11 MR. ASCIENZO: Thank you, Mr. Tsuji. And
12 now we turn to the Supervisory Investigator, George
13 Deyman.

14 MR. DEYMAN: Hi, I'm George Deyman, Office
15 of Investigations. On page 3 of the public version of
16 the petition, you state that imports of steel grating
17 from China contributed to the termination of
18 production by Leavitt Tube in 2008. Do you have any
19 public information such as a press release from
20 Leavitt Tube that cites imports from China as a
21 contributing factor in the closure?

22 MR. BRIGHTBILL: Tim Brightbill, we can look
23 and see if we can obtain something and put it into our
24 brief. And I guess also, it's our understanding that
25 Leavitt has submitted a questionnaire and that may be

1 helpful in that respect as well.

2 MR. DEYMAN: Good, thank you, that would be
3 helpful. Also on page 4 of the public version of the
4 petition, you state that Ohio Gratings has switched
5 from being a domestic manufacturer to primarily an
6 importer of certain steel grating and has sources
7 significant quantities of certain steel grating from
8 China. Are you contending that Ohio Grating or any
9 other domestic producer should be excluded from the
10 U.S. industry, the database that we use, by virtue of
11 its related party status and/or its amount of subject
12 imports?

13 MR. BRIGHTBILL: This is Tim Brightbill.
14 We'll lay that out in our brief as well, but we do
15 think there is a strong argument that Ohio Grating
16 should be excluded from the domestic industry based on
17 its increasing reliance on imports as opposed to
18 domestic production.

19 MR. DEYMAN: All right. Approximately what
20 share of the industry's sales goes to municipalities
21 or for public construction projects? Is it a major
22 portion of your sales?

23 MR. SCOTT: No. It's not a major part.
24 We'd be taking a guess now, but we can give you more
25 specific detail in the postconference brief from an

1 AMICO perspective.

2 MR. DEYMAN: I guess what I was getting at
3 is whether there are many buy America or buy American
4 requirements in this market.

5 MR. SCOTT: We see very little, almost none
6 that have to adhere to buy America, even with the
7 recent AARA designations we are seeing almost no
8 request to adhere to buy America.

9 MR. SMITH: It may help to understand some
10 of the types of projects. This is Joe Smith, I'm
11 sorry I keep forgetting that. Usually we sell into
12 private industry or private ownership type of
13 projects. Very little goes into highway, roads, that
14 type of thing. So we would sell to a steel
15 manufacturer to help in his plant when the
16 manufactures steel or when he melts steel. We'd sell
17 to a petrochemical company to add platforms around
18 their tanks and so that they can get up above the
19 floor level to reach fans or motors or pumps or
20 whatever that type of thing is. So the majority of
21 our sales really go into private industry, private
22 type application.

23 MR. DEYMAN: All right, I have no further
24 questions. I thank you very much for appearing here
25 and also for the gentleman from the union, it's nice

1 to get another perspective too. So I appreciate it,
2 thank you.

3 MR. ASCIENZO: Thank you very much for all
4 the questions and answers. This is John Ascienzo. I
5 have a few followup questions. Want to make sure I
6 say this right. Mr. McElhinney, we can't let you off
7 without asking at least one question.

8 MR. MCELHINNEY: Oh, I believe you can.

9 MR. ASCIENZO: It was described before there
10 is essentially four types of this grating I believe,
11 there's swage, press lock, welded, and riveted. I
12 might have those wrong, but assuming that is, I think
13 in your testimony you had mentioned that it takes
14 about a year to fully train up a production worker.
15 And I presume at the end of the year they're all
16 trained in this type of production. Are these
17 different lines or different machines that are used
18 for these different types of production processes?

19 MR. MCELHINNEY: Yeah, they're actually
20 different machines. And we're a smaller plant. We're
21 hoping, and there were plans to make us quite a bit
22 larger. So we need to have versatility in the
23 workforce. You would hate to have a part of your
24 production line shut down simply because someone calls
25 off or family issues or whatever. So in order to

1 train them on, I'm believing on the machine side
2 there's six, maybe seven different machines. And
3 that's why it takes a full year.

4 We have different grade levels as it would
5 be, skill levels. And in order to get someone to
6 where you can plug them into any open spot, boom,
7 boom, boom, which now helps, you know, with being able
8 to be that versatile. So it takes that full year.
9 And with the guys that we lost, they hadn't been into
10 the system real long yet but long enough that you
11 spent time, money, energy to train them.

12 So if somehow we can recover from this,
13 which I don't know, I'm seeing doom and gloom from my
14 side because as their numbers go down my numbers go
15 down, which hurts all of us. And we're getting into,
16 as Joe mentioned, he's got senior employees that have
17 been with him 20 something years that are now standing
18 out there saying, well what are we going to do?
19 Hopefully that answers your question.

20 MR. ASCIENZO: Thank you, yes. And a follow
21 on question. In other proceedings we've had steel
22 workers here, and part of their compensation, it could
23 be a large part of their compensation, is based on the
24 profitability of the company, is that the case to your
25 knowledge? You would know about your specific company

1 but is that the case?

2 MR. MCELHINNEY: We have no incentive
3 programs. What we make is what we make. And our only
4 avenue, this is going to be a contract signing year
5 for us, so I need to go in front of Mr. Rutter and
6 say, you're making a ton of money, I want my chunk of
7 that, you know. And if he's not making money then
8 he's going to forestall us. So, no.

9 MR. ASCIENZO: Thank you very much. I think
10 we've touched on this but I just want to make sure,
11 Mr. Scott among others I think has said that you price
12 when you sell your product per square foot and we've
13 gathered data on a weight basis.

14 MR. PRICE: Actually the pricing data does
15 have square foot.

16 MR. ASCIENZO: You're right, you're
17 absolutely right, I'm sorry. The pricing we gathered
18 per square foot, but in the trade data we gather it on
19 a weight basis, and I presume all the conversions were
20 done, but does that cause any problems? Do you feel
21 the data is going to be reasonable or are there any
22 problems that you'd like to talk about?

23 MR. PRICE: Yeah, I think there are some
24 significant problems, and, you know this is
25 interesting, when you get an APO release two days

1 before, essentially Wednesday evening we got the APO
2 release. So you start looking at things and saying,
3 oh, what's going on here and what's going on here? Is
4 there problem with the data? You know, where are the
5 issues? Is the data just junk? Is the data, you
6 know, it's complicated for a company that's never
7 gotten this, particularly on the import side which
8 sometimes there are biases and you don't have complete
9 coverage.

10 We think that looking at the data we were
11 surprised with some of the gaps between the price per
12 square foot and the price per weight in it based upon
13 the pricing series data. That gives us great levels
14 of concern about the quality of some of the data that
15 was submitted. And so we'll address that more in the
16 postconference brief. It was something that we sort
17 of learned about this weighting issue frankly as we
18 talked to our clients yesterday when we were, you
19 know, trying to explore what was going on and they
20 said, oh, well this is what the story was. It was
21 something we were not really familiar with.

22 MR. SCOTT: This is Mike Scott. From our
23 standpoint, from a data gathering, we're converting
24 everything. So we keep pretty much how many units and
25 what was the price of that unit. And our measurable

1 unit is the square foot. So that's the way we keep
2 all our records, so when we're trying to give the data
3 the way you've wanted it, you know, we've got people
4 transposing numbers back and forth and we have found
5 that we've got either some fat figures, hitting the
6 wrong buttons, or in fact some wrong conversions. So
7 we think most of the data is pretty good but we're
8 going to scrub it one more time. You know, we're
9 taking out of our systems that are fairly old and
10 converting it to new units of measure that we
11 typically do not use.

12 MR. ASCIENZO: Thank you, thank you. I
13 think we just touched on again the underweighting, and
14 it was talked about before, and I think a full answer
15 is going to come out in the postconference briefs.
16 But does anyone want to publicly state what they
17 estimate the underweighting is? Is it, you know, 3
18 percent, 7 percent? Or do you not want to say that in
19 public at all? 20 percent?

20 MR. PRICE: Alan Price, Wiley Rein. Unless,
21 Tim, unless you know the exact answer here I think
22 we'd rather just go back in the brief. I actually
23 haven't calculated it in that way.

24 MR. BRIGHTBILL: Tim Brightbill. We'll
25 submit it in the briefs.

1 MR. ASCIENZO: Thank you very much. And
2 either Mr. Rutter or Mr. Smith, I can't quite tell
3 where that sample is -- oh, now it's right in front of
4 me. Mr. Brightbill has it. That's covered with some
5 sort of paint or coating. Is that something that's
6 done in the production facilities or is that done by a
7 toller or a third party or is that done by the
8 distributor?

9 MR. RUTTER: In almost all cases it's done
10 at the production facility where the grating is
11 manufactured. It's what we call a standard dip coat
12 of black paint to give it some corrosion protection.
13 It can be applied outside if the particular end user
14 wants, you know, the rest of his factory is red and
15 it's going to be red. Then it can be painted on the
16 outside in most types of cases, but it is rare. It's
17 usually done inside the same facility.

18 MR. SMITH: This is Joe Smith. I think that
19 sample, and I'm not sure who might have brought that
20 one in, that's a real pretty paint job for that
21 product. That's not a standard paint job. A standard
22 paint job is really just a rustoleum type of coat to
23 prevent corrosion, and it's dipped. I think this one
24 might have got maybe a little extra -- no, maybe not,
25 I don't know. Looks like it got a little extra touch

1 up of a spray can or something just so it could be a
2 good sample. So it may not reflect the quality of
3 normal paint.

4 MR. ASCIENZO: Thank you very much.
5 Somebody mentioned, or maybe more than one person
6 mentioned earlier, that in hurricane season or rough
7 weather season, the production workers on the oil rigs
8 will literally pick up the grating and just get rid of
9 it before it becomes a missile and causes damage.
10 Once that happens, and once again you also testified
11 that the phone calls haven't come, they didn't come in
12 '08, but in previous years when the phone calls did
13 come, was that a measurable increase? Was that like,
14 you know, 5 percent of your sales in any one time?

15 MR. SCOTT: Typically it's an increase in
16 sales that you cannot miss. It is, the phones ring
17 constantly for large orders of standard panels
18 because, you know, it's not the damage to the rig that
19 matters, it's the fact that state's procedures are all
20 that stuff gets thrown into the gulf, so it all gets
21 replaced. So they start calling right away, and it is
22 big. And every single day, we know when a hurricane's
23 coming, we start making grates.

24 So when we start, and Joe jokes about the
25 Weather Channel, you know, when we saw that Gustoff

1 was coming, or that Ike, we started running our
2 machines like crazy because you know you're going to
3 get those calls. And we got a couple but it wasn't
4 anywhere near what we got when we looked at Katrina
5 and Rita. And the difference isn't the severity of
6 the storm because any storm causes you to throw over
7 that grate, and we just didn't get them. So it's a
8 huge increase, and if you want in the posthearing
9 brief we can give you an indication of what that
10 increase was for Katrina and Rita.

11 MR. ASCIENZO: Please. Thank you very much,
12 that would be helpful I believe. And that kind of
13 leads me to my next question, is there any real
14 seasonality in production or sales or not?

15 MR. SCOTT: Very little. You know, as Brian
16 said earlier, it's driven by typical methods of
17 construction that go year round. It's not like
18 housing where in the Northeast you're not building
19 homes in the winter. It's industrial construction
20 that typically goes year round. And the only
21 seasonality is for, you know, acts of god, a
22 hurricane. That's what drives the spike, it's
23 typically not a seasonal business.

24 MR. RUTTER: Brian Rutter, just to add to it
25 a little. I agree wholeheartedly, there is very

1 little seasonality from a domestic producer's
2 standpoint. Can't really say I can finger point the
3 reason for it, but there has been a seasonality if we
4 look at it over time on the imports that typically the
5 first quarter is far weaker than the third and fourth
6 quarter for the last several years on imports, from
7 China in particular. But even if you look at 2006,
8 throughout the year there's some variance. Can't
9 particularly put my finger on it why whether they also
10 know about the hurricane season and when that is and
11 try to plan their imports accordingly. But there is a
12 notice of the seasonality in the import numbers.

13 MR. ASCIENZO: Thank you very much. To your
14 knowledge, are there any, how do I say this, are your
15 production facilities comparable to the Chinese
16 facilities? Are you more efficient, are they more
17 efficient, are you newer, are they newer? Could you
18 compare and contrast to the extent you can?

19 MR. RUTTER: It's Brian Rutter. To the best
20 of our knowledge, we're as productive as any place in
21 the world. The technology to make the product has
22 been around for a long time. So there are a couple of
23 different manufacturers of machines, and I understand
24 the Chinese are having their own machines made in
25 China for it, but there's no reason at all to think

1 that we're any less productive than anybody in any
2 country including China.

3 MR. ASCIENZO: Thank you very much. And
4 that is the end of my questions. Does anyone have any
5 followup questions?

6 (No response.)

7 MR. ASCIENZO: Seeing that there are none,
8 Mr. Price and Mr. Brightbill, would you like to make
9 your closing statements or do you need a few minutes?

10 MR. PRICE: Just give us a minute or two and
11 then Mr. Brightbill will make the closing statement.

12 MR. ASCIENZO: Yes.

13 MR. PRICE: Thank you.

14 MR. ASCIENZO: And thank the panel once
15 again for your direct testimony and all of the answers
16 to all of the questions, thank you very much.
17 Whenever you're ready.

18 MR. BRIGHTBILL: Thanks, Mr. Ascienzo. Tim
19 Brightbill, Wiley Rein. Thank you again to the
20 Commission Staff for your hard work on this case and
21 for the opportunity to testify here today. We also
22 really appreciate the Staff coming to AMICO's
23 facilities in Birmingham this week. We hope that
24 today we've increased your understanding of this
25 industry and this product and the reasons why AMICO

1 and Fisher & Ludlow were forced to file these
2 petitions and begin these investigations.

3 There's no one speaking in opposition today,
4 and there was almost no participation from Chinese
5 producers of steel grating, so perhaps there is little
6 need for a big closing argument, but that's never
7 stopped me before. So let me just highlight some of
8 the key facts. Chinese imports of steel grating are
9 causing material injury to the U.S. industry. The
10 increased volume of Chinese imports is dramatic and
11 substantial, more than 500 percent as you've heard and
12 seen, during the period of investigation. That is
13 remarkable by any standard.

14 The surge reached its peak in the second
15 half of 2008 and clogged the entire inventory system.
16 The inventories continue to overhang the market even
17 today. And it's important to note that a lot of that
18 inventory is held by customers, service centers,
19 distribution locations, that are not subject to
20 Commission questionnaires. So the inventory levels
21 are even greater than the growth that you see reported
22 in the producer and importer questionnaires with
23 regard to inventories.

24 China's import market share is 80 percent,
25 and its overall market share has risen from 5 percent

1 to 25 percent. Just think for a minute about how
2 quickly that has happened. As you heard from Joe
3 Smith and Brian Rutter, China's business strategy is
4 to pick off the high volume commodity grating products
5 that are the core of Petitioner's business. And once
6 the Chinese producers discovered this product line,
7 they went straight for it and they've never let up.

8 The price effects are unmistakable and
9 significant, as Petitioners told you today. Dumped in
10 subsidized imports consistently undersell the U.S.
11 product by sizeable margins, anywhere from 15 to 40
12 percent, and at prices that are less than AMICO and
13 Fisher & Ludlow's cost of production. Chinese steel
14 bar grating industry is able to do this because it
15 enjoys substantial subsidies, there have been price
16 suppression, price depression, particularly with the
17 massive inventories that still overhang the U.S.
18 market.

19 The pricing product data is not perfect,
20 there are clearly some issues with it, but even the
21 imperfect data shows very substantial underselling by
22 Chinese imports, particularly when measured in terms
23 of price per square foot as we've talked about today.
24 The impact of these dumped and subsidized imports is
25 more than substantial, it is devastating. Leavitt

1 Tube has gone out of business. Other producers and
2 the people sitting at this table are facing the choice
3 of putting themselves out of business and becoming
4 distributors of Chinese product. Some U.S. producers
5 have already made that choice.

6 All of the other indicators are down,
7 capacity, production, shipments, employment, operating
8 profits. And the impact of the Chinese imports can
9 also unfortunately be measured in human terms, as Mark
10 told you earlier, in places like Saegertown,
11 Pennsylvania, Bourbonnais, Illinois, and Birmingham,
12 Alabama. And AMICO as you heard next week is going to
13 one shift, down from three shifts a year ago. There's
14 not much farther lower to go than one shift a week
15 other than shutting down.

16 So the uncontroverted evidence plainly meets
17 the standard of a reasonable indication of material
18 injury. There is also threat of material injury.
19 There's much we don't know about the Chinese industry
20 and its capabilities due to the extremely limited
21 response to the foreign producer questionnaires, but
22 we do know about the massive inventory buildups that
23 occurred last year.

24 And if you want to know what China is
25 capable of producing and shipping here, all you have

1 to do is look at how quickly they came into the
2 market, ramped up production, and took away large
3 customers and large sales volumes here in the U.S.,
4 particularly in the second half of last year through
5 to the present. They have nowhere else to go. For
6 all of these reasons and on behalf of the domestic
7 industry and its workers, we ask the Commission to
8 make an affirmative preliminary determination of
9 material injury to the U.S. industry by reason of
10 Chinese imports. Thank you very much.

11 MR. ASCIENZO: Thank you very much for those
12 comments.

13 On behalf of the Commission and the Staff, I
14 want to thank the witnesses who came here today, as
15 well as counsel, for helping us gain a better
16 understanding of this product and the conditions of
17 competition in this industry. Before concluding, let
18 me mention a few dates to keep in mind.

19 The deadline for submission of corrections
20 to the transcript and for briefs in the investigations
21 is Wednesday, June 24th. If briefs contain business
22 proprietary information, a public version is due June
23 25th. The Commission has tentatively scheduled its
24 vote on the investigations for July 10th at 11 a.m.
25 They will report its determinations to the Secretary

1 of Commerce on July 13th. Commissioner's opinions
2 will be transmitted to Commerce on July 20th.

3 Once again, we do thank you very much for
4 coming today. This conference is adjourned.

5 (Whereupon, at 11:39 a.m., the hearing in
6 the above-entitled matter was concluded.)

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CERTIFICATION OF TRANSCRIPTION**TITLE:** Certain Steel Grating From China**INVESTIGATION NO.:** 701-TA-465**HEARING DATE:** June 19, 2009**LOCATION:** Washington, D.C.**NATURE OF HEARING:** Preliminary Conference

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

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