

Good morning. First of all, I like to thank you, for letting me address this panel. My name is Sam Savariego, President of DBI. DBI is a company located in Irving, Texas.

The United States has become a **NATION** that **EXPORT JOBS**, instead of **PRODUCTS**. Today, DBI's workforce is down by **80%**, yet today we produce a wider range of products. In others words, we reduce our work force, while **OUR CAPABILITY GROWS**.

DBI has been in business for nearly forty years. We are the oldest American company that is capable of producing a wide range of equipment, to process steel, some of which is **UNIQUE** to the **WORLD**.

The reason for our seniority, is that most of our American competitors, are either out of business or **THEIR PLANTS**, **THEIR TECHNOLOGY** and **THE JOBS** have been **EXPORTED**. This, in general, is what is happening to **THE INDUSTRY** of **OUR NATION**.

- The Steel Caucus, the American Iron and Steel Institute and their members, are here today, to request the continuation of the support they are receiving from the U. S. government under Section 201, in lieu of Free Trade.

At the same time, these steel producers **AGRESSIVELY PATRONIZE** Foreign Producers of Capital Equipment, our foreign competitors. As a matter of fact, they have gone much further than just being their **PRIMARY CUSTOMERS**. They have formed Technical Partnerships with some of these foreign manufacturers and have assisted them in training their customers in the know-how required for the operation of **NEW STEEL PLANTS**, using **NEW TECHNOLOGY**. The additional capacity of these installations, is nearly **50%** of the today's **WORLD EXCESS CAPACITY** in **STEEL PRODUCTION**. These steel

producers, are here today, seeking protection, against the problem that they helped create.

- When one of these U. S. or other NAFTA steel producers have a requirement for Capital Equipment and a U. S. manufacturer request the opportunity to participate in the bidding process, the U. S. manufacturer is not given fair consideration to participate in the bid. For example, one steel producer purchased a Coil Coating Line from Fata, an Italian company, only two months after Section 201 was passed. DBI requested an opportunity to participate in this project and the request was denied.

Then, when a U. S. manufacturer, such as DBI, competes with the same foreign equipment manufacturers that are favored by the U. S. and other NAFTA steel companies and the U. S. manufacturer is successful, based on its SUPERIOR TECHNOLOGY. Then the Steel Caucus, the American Iron and Steel Institute and its members, BLOCK U. S. EX-IM Bank, our EXPORT CREDIT AGENCY, from supporting the U. S. exporter, even if the transaction is for equipment that does NOT ADVERSELY AFFECT our steel industry. Is this FAIR PLAY? These actions, are causing GIFTED AMERICANS, to LOSE THEIR JOBS and is resulting in THE LOSS of AMERICAN INDUSTRY.

A perfect example of this is the ERDEMIR transaction. Here DBI was the successful bidder, we competed against Voest Alpine Industrial Technologies of Austria, Danieli, of Italy, Fata of Italy and Keram Chemie of Germany. It was a requirement that all bidders presented an offer of financing supported by their respective Export Credit Agency. The difference in price between DBI and VAI, factoring the financing cost, was less than \$70,000.00, in a project that was 25.8 million Dollars. DBI won on Technical Merits.

We all know what happened in this case.

- (a) EX-IM Bank approved the transaction on "Preliminary Commitment basis", on October 12, 2000.
- ((b) After a costly battle that lasted nearly two years, EX-IM Bank turns down the transaction on August 15, 2002 because the transaction was in violation of the Toomey Amendment.

Due to the LOSS of CREDIBILITY in our Export Credit Agency, it is now doubtful that DBI or any other U. S. manufacturer will be considered by ERDEMIR on future projects. ERDEMIR, the only flat rolled steel producer in Turkey, a nation that produces 50% of the flat rolled steel that it consumes, they have plans to invest over one billion Dollars in the modernization of their plants. This business will now go to our foreign competitors.

- I suggest that if U. S. and other NAFTA steel companies, want to live under a PROTECTIONIST TRADE ENVIRONMENT, then they should BUY AMERICAN PRODUCTS. If not, then LIVE in a WORLD of FREE TRADE, BUT YOU SHOULD NOT HAVE IT BOTH WAYS. ! Remember, we are in the LAND of "EQUAL OPPORTUNITY for ALL"!
- The survival of AMERICAN MANUFACTURING is at stake here. It is against the INTEREST OF OUR NATION, to lose OUR JOBS and AGAINST OUR NATIONAL SECURITY to lose OUR TECHNOLOGY.

Is it PRUDENT or SAFE for OUR NATION to depend entirely on foreign nations, for our steel making technology?

UNITY, IS STRENGTH!

(All supporting documentation of these claims, are available on request).