



Su-dan Corporation

1853 Rochester Industrial Ct.
Rochester Hills, MI 48309
248-651-6035 FAX 248-651-6014

My name is Teresa Amman and I am the Director of Supply Chain Management for the Su-dan Corporation in Rochester Hills Michigan. We have been a family owned company since 1966 and the name "Su-dan" came from the founders children Sue and Dan. We have 4 manufacturing facilities in Michigan and one facility in South Carolina. Collectively, we manufacture and assemble steel stampings for both the automotive and appliance industries. I am here today to express how the steel tariffs are destroying our business. In my 18 years of purchasing, I have never seen a market that we have today. The cost of our raw materials has increased up to 30%. These increases cannot be absorbed as they are dramatically outside the ordinary course of business. Our request for assistance from our customers has only had negative effects upon our business relationships. We have customers advising us that they are looking to move our current business overseas and we have had another customer ask us to move our company to Mexico. We are an American Company, employing American workers. Why would we want to move?

We have been forced to cut jobs and reduce wages. Capital investments have been eliminated, and we have lost business to foreign nations. The Su-dan Corporation and other companies like us cannot survive with the continuation of the steel tariffs. For the first six months of our fiscal year we have paid in excess of one million dollars in higher steel prices. That amounts to six and a half percent of our gross revenue; money that would have been available to reinvest into our organization, our employees and our economy. We have had 3 layoffs over the last year alone as a result of the economic pressures caused by the steel tariffs. When we started the business in 1966 we had 10 employees. Over the years we grew to an employee base of 325. Today we cannot hire due to the impact of steel tariffs and currently only employ 200. Wage increases for our employees are down since there is no additional money to support them. Any profit we could hope for must pay for the increased cost of steel. In addition, our manufacturing costs have been extremely difficult to control due to the lack of the availability of steel.

Because of the steel tariffs our operating margin is barely above breakeven and if we continue to take losses we cannot continue to stay in business. Finally and the most disturbing is we are losing significant work to offshore locations. We compete on an international basis and must provide low cost quotations in order to secure business. The steel tariffs have artificially inflated our cost to noncompetitive heights. We recently lost a million dollar annual contract because the selling price was below the cost that it would take just to secure the steel. The part was not made out of exotic steel, it was your basic low carbon galvanized steel.



In closing, we are strongly asking you to listen. Without the steel tariffs we would be able to compete globally for future work, and protect our jobs. If the steel tariffs are not removed and we can't re-invest in our business it will only be a matter of time before our company and others will add to the statistic of an American manufacturer that has been forced to close their doors to the future.