

TESTIMONY OF JAMES CONLON
VICE PRESIDENT AND GENERAL COUNSEL
STEIN, INC.
TO
THE INTERNATIONAL TRADE COMMISSION
REGARDING
THE IMPACT OF SECTION 201 RELIEF FOR STEELMAKERS
ON
U.S. MANUFACTURING

Stein, Inc. is a closely held business located in Broadview Heights, Ohio, with operating facilities in Lorain, Ohio, Cleveland, Ohio, Granite City, Illinois, Ashland Kentucky and Sterling, Illinois. As a slag and scrap processor, we are a steel industry supplier as well as a consumer. Our company currently employs 272 individuals and provides health care and other benefits to over 600 employees, spouses and dependents.

In 1999, Stein had six major steel mill operations in the United States. By 2003 every one of those steel makers had filed Chapter 11. Just prior to the 201 Action, our employee base had been reduced by 35%, our revenue base had been reduced 30% and our Shareholders' Equity had been reduced by 75%. We were in violation of virtually every significant covenant in our banking agreement. Things were as bleak as they could be. At that time, this Commission and President Bush gave us an opportunity to survive. Because of the 201 Relief, we believed that our steel making customers could recover, and if they could survive the mortal blows that had been inflicted by illegally dumped steel, then we would surely try to survive along with them. Every one of our employees, both union and salaried, made wage and benefit concessions to help our company through those troubled times. Our owners made significant capital contributions, and our banks, despite the doom and gloom that surrounded the steel industry, stuck with us. I'm

proud to say that up to the present we have survived. Actually, survived is not a strong enough description of what we have accomplished. Our Company has performed in accordance with the commitments that we have made: Commitments to our customers, our employees, our banks and our suppliers. All that being said, and with all of the money that was invested, the sacrifices that were made, and the risks that were taken, it would not have been enough for our company to survive, without the 201 Action that was recommended by this Commission and taken by this Administration.

We are beginning to see a light at the end of the tunnel. Keep in mind though, that we are only half way through this tunnel. With the consolidation of the industry, we are starting to see some stability. The consolidators of the industry: the ISGs, the USX's , the SDI's, the Nucors have all made their billions of dollars in commitments to the industry in reliance on the completion of the 201 Program. Stein Incorporated has made its investment, and Stein's owners and employees have made their sacrifice, in reliance on the 201 program. The Section 201 relief is working, but its only half way through the process. The 201 Program has given us the opportunity to keep our word with our employees, customers, suppliers and banks. Keep your word, let the Program run its course and give us a chance to stabilize this critical industry.
Thank you for your time.