Stainless Steel Bar
from France, Germany, Italy, Korea and the United Kingdom

Sunset Hearing before the U.S. International Trade Commission
November 6, 2007

SUBMITTED BY SHEARMAN & STERLING LLP

There Is No Reason to Continue These Orders

- Domestic industry is transformed
  - NAS is driving the market
- Industry is profitable
- Prices have increased dramatically
- Global demand is strong and increasing
- Production capacity is fully utilized
- Domestic shipments have increased
- Domestic market share is up

Excluded Companies after Section 129

France:

- Ugitech

Italy:

- Valbruna
- Foroni
- Rodacciai
- Bedini

Germany:

- Walzwerke Einsal

UK:

Corus

Testimony of Robert W. Crandall

Before the International Trade Commission

Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom

November 6, 2007

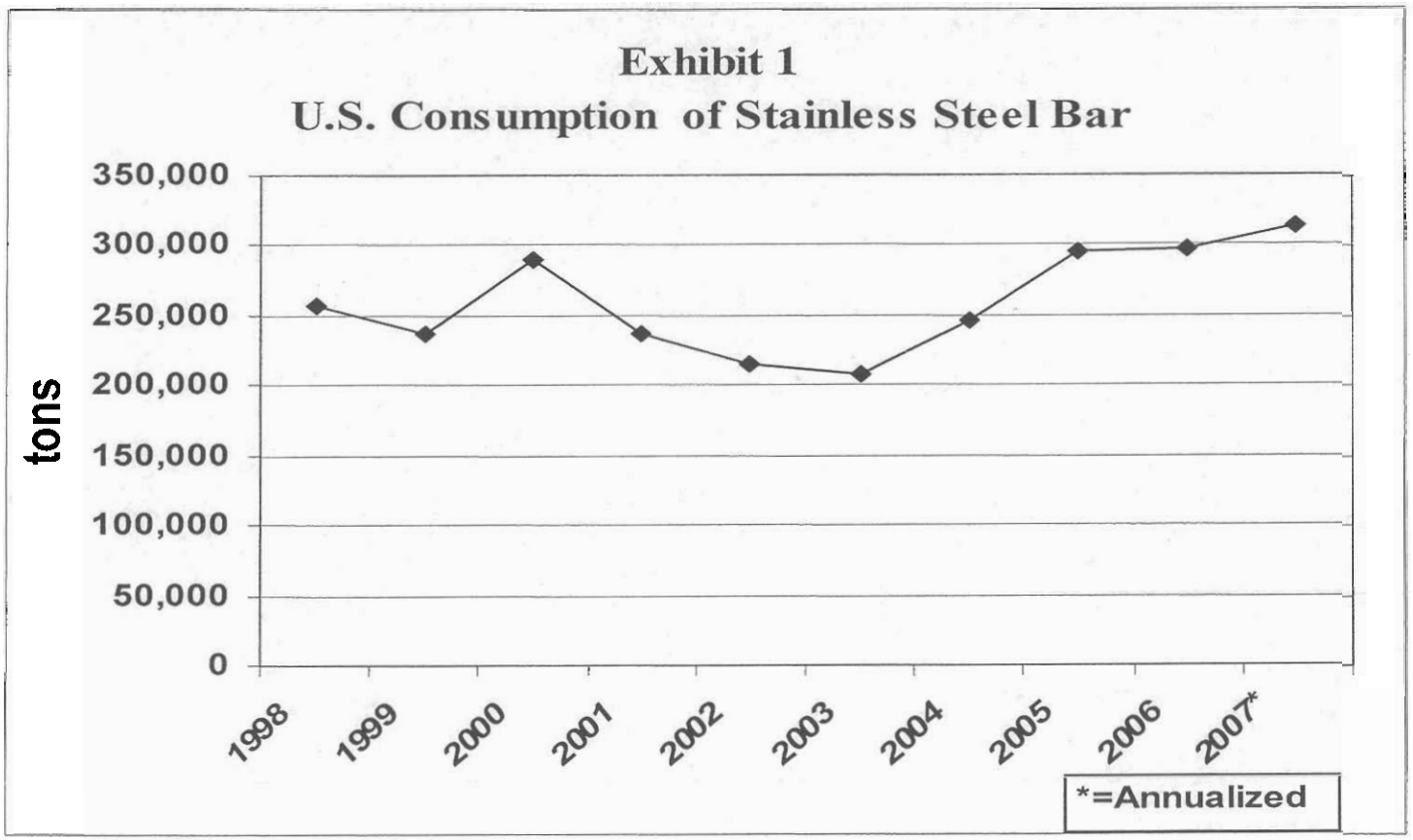


Exhibit 1
U.S. Consumption of Stainless Steel Bar
tons
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007*
*=Annualized

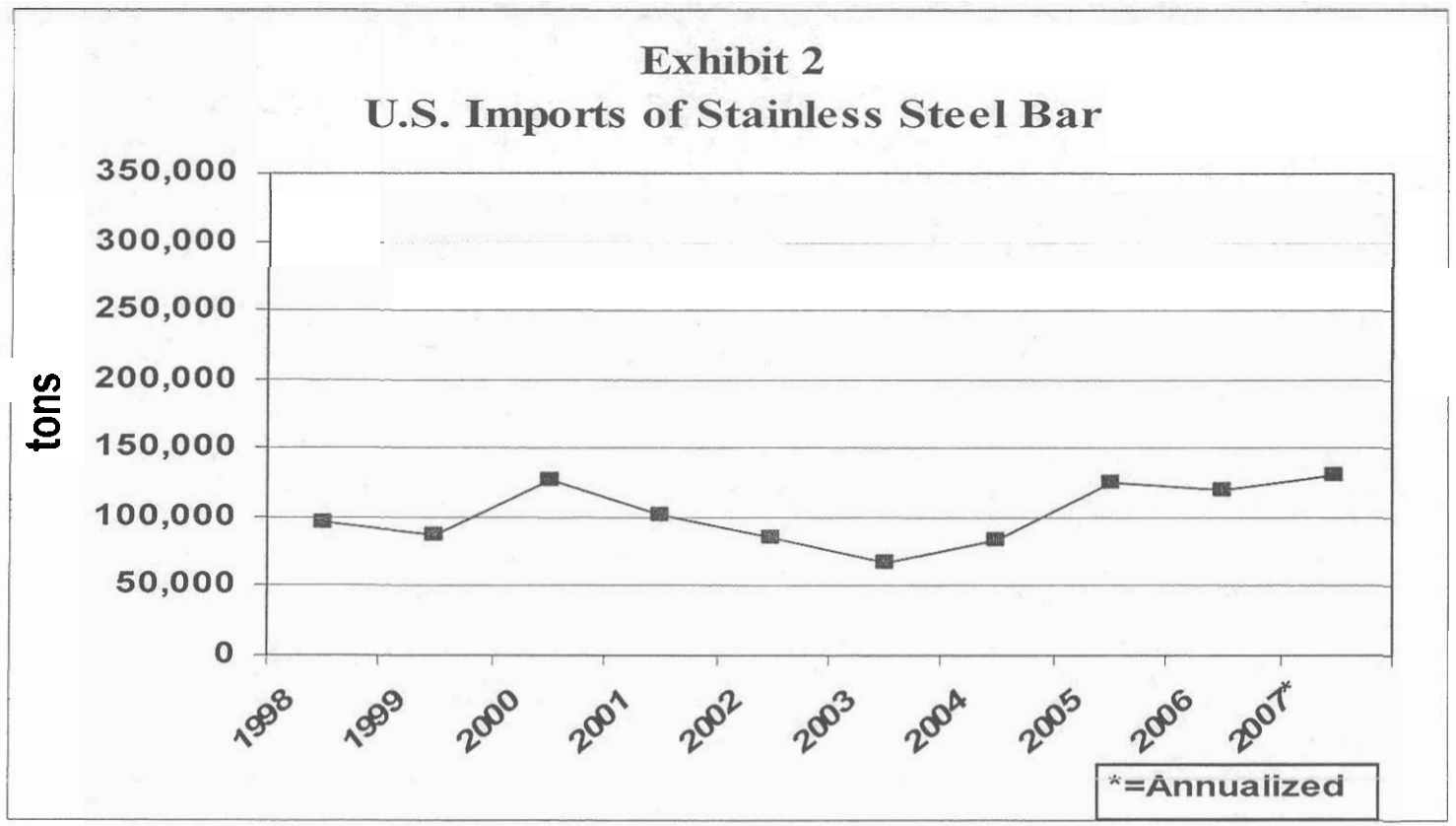


Exhibit 2
U.S. Imports of Stainless Steel Bar
tons
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007*
*=Annualized

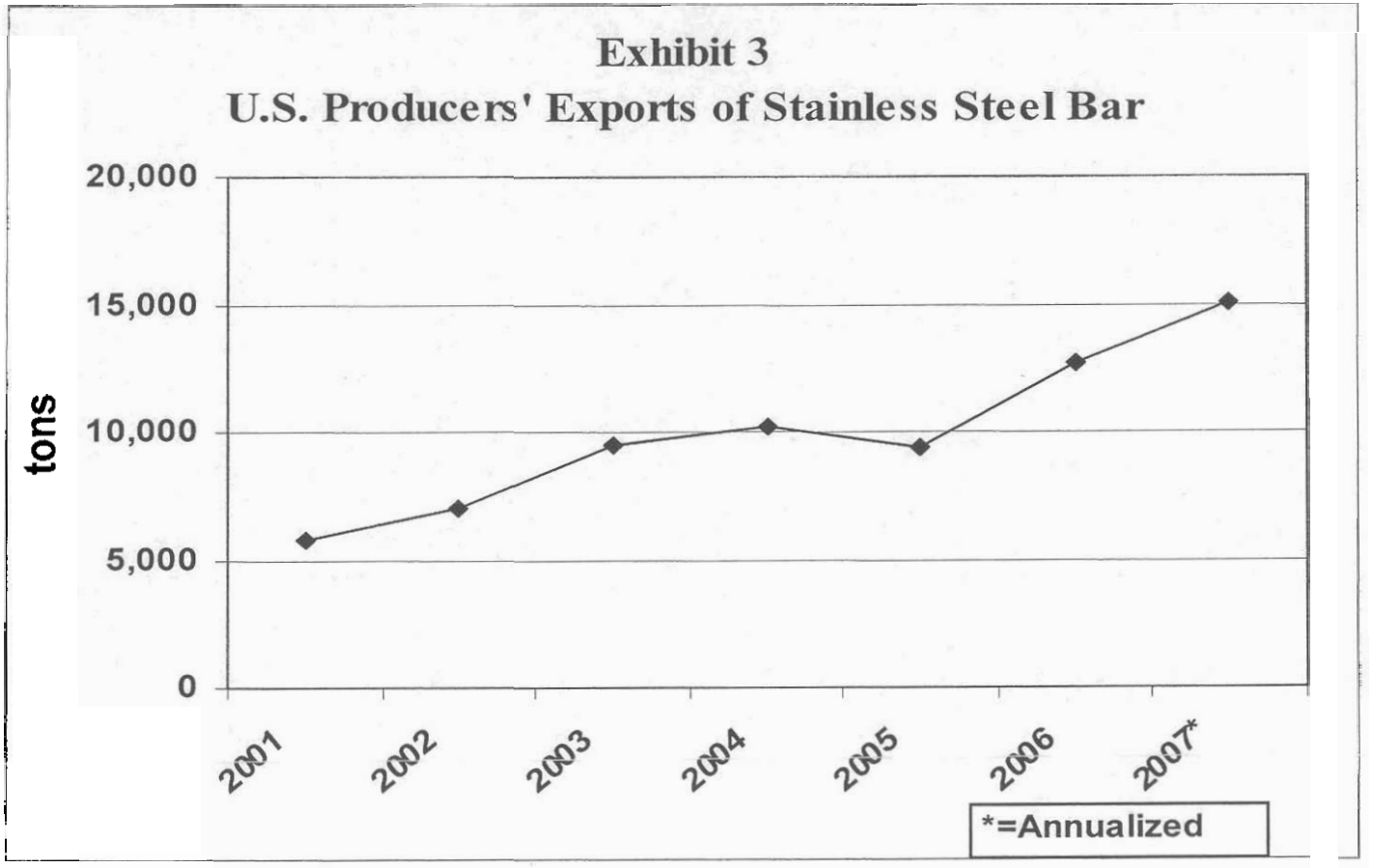


Exhibit 3
U.S. Producers' Exports of Stainless Steel Bar
tons
20,000
15,000
10,000
5,000
0
2001
2002
2003
2004
2005
2006
2007*
*=Annualized

Exhibit 4
Value of the U.S. Dollar
(Euros/$)

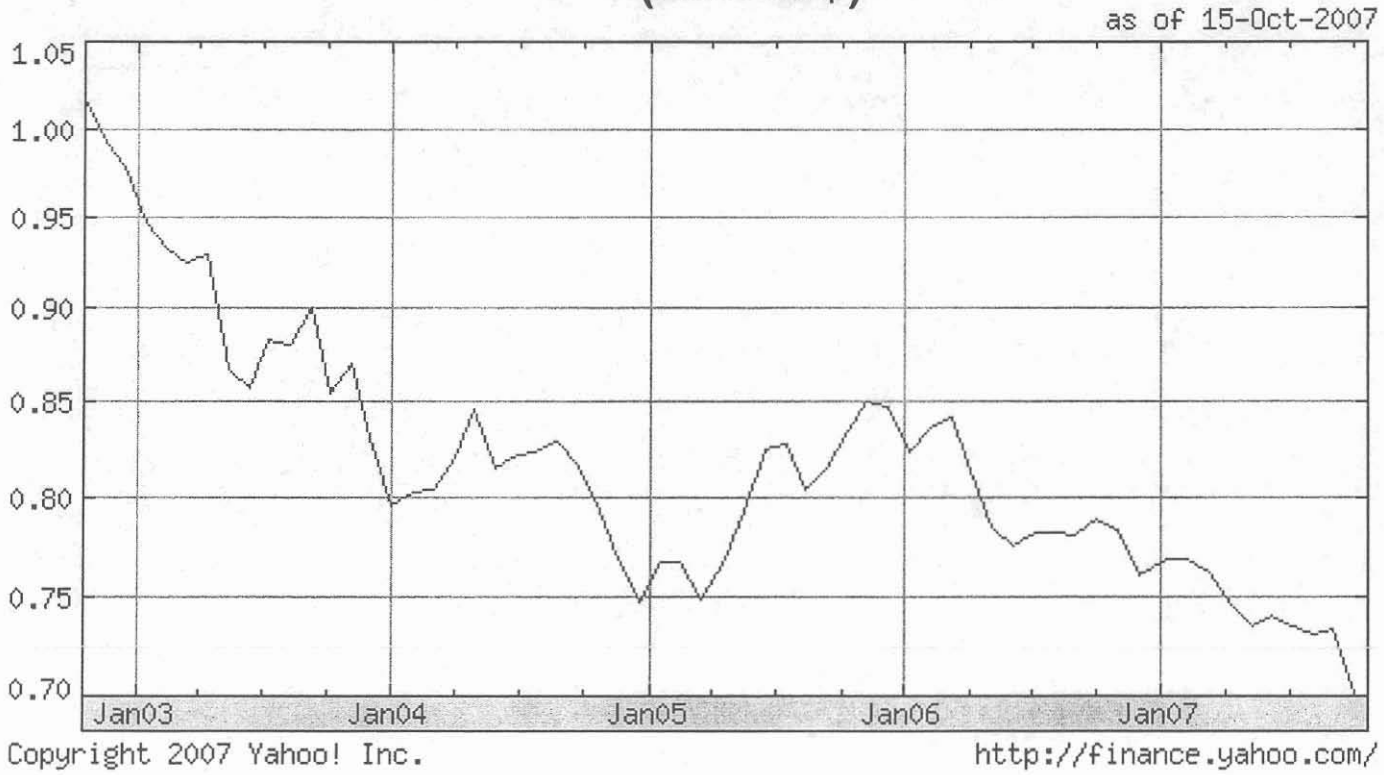


Exhibit 5

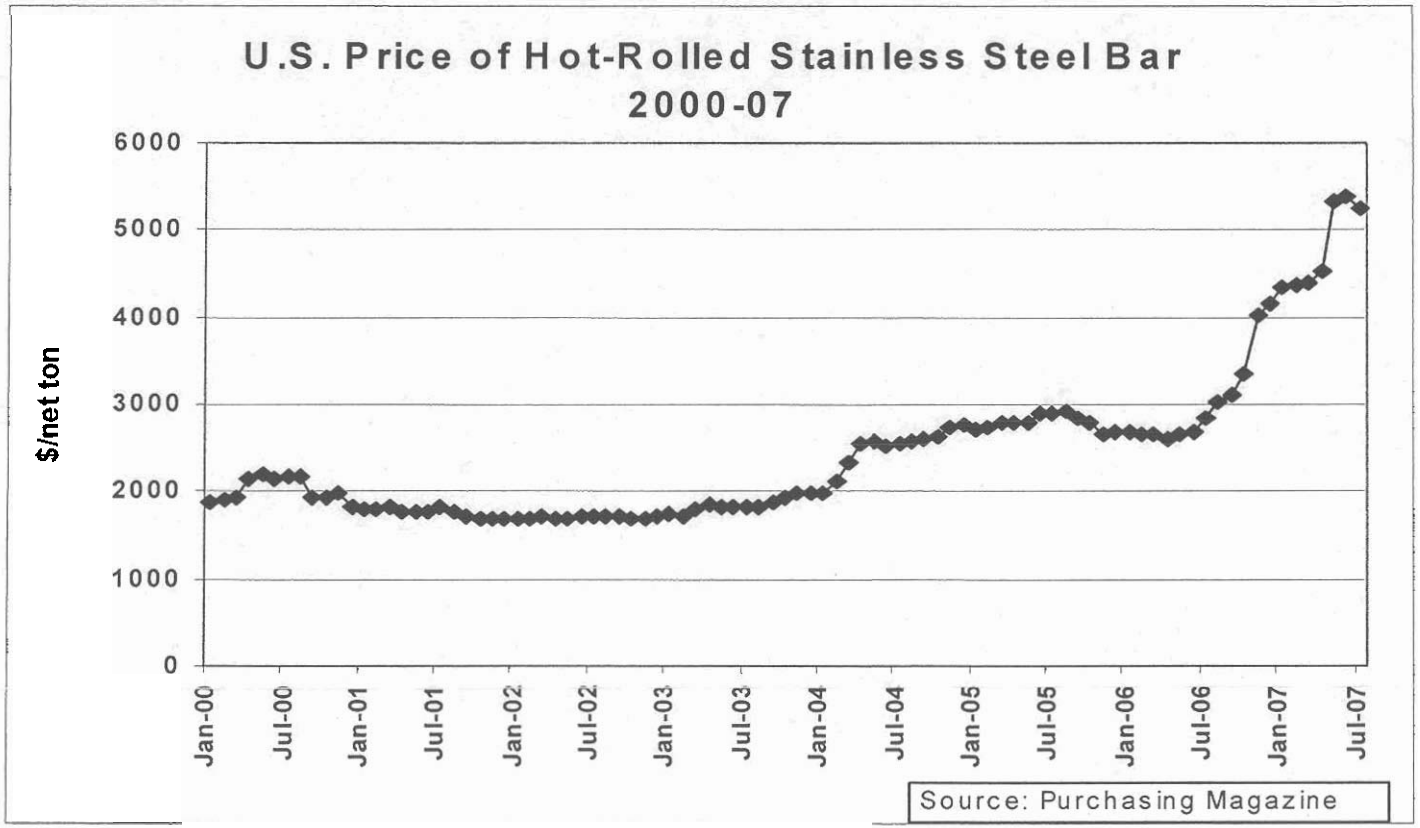

U.S. Price of Hot-Rolled Stainless Steel Bar
2000-07
$/net ton
6000
5000
4000
3000
2000
1000
0
Jan-00
Jul-00
Jan-01
Jul-01
Jan-02
Jul-02
Jan-03
Jul-03
Jan-04
Jul-04
Jan-05
Jul-05
Jan-06
Jul-06
Jan-07
Jul-07
Source: Purchasing Magazine

Exhibit 6
Increase in Unit Value and Unit Material Cost of U.S. Producer Shipments of Stainless Steel Bar

	2001	2002	2003	2004	2005	2006	2007-H
Unit Value	2,907	2,797	2,867	3,567	4,323	5,152	6,484
Unit Raw Material Costs	1,038	1,101	1,322	1,878	2,295	2,824	3,750
Unit Value Less Unit Material Costs	1,869	1,696	1,545	1,689	2,028	2,328	2,734

Source: Staff Report, Table III-9

Exhibit 7

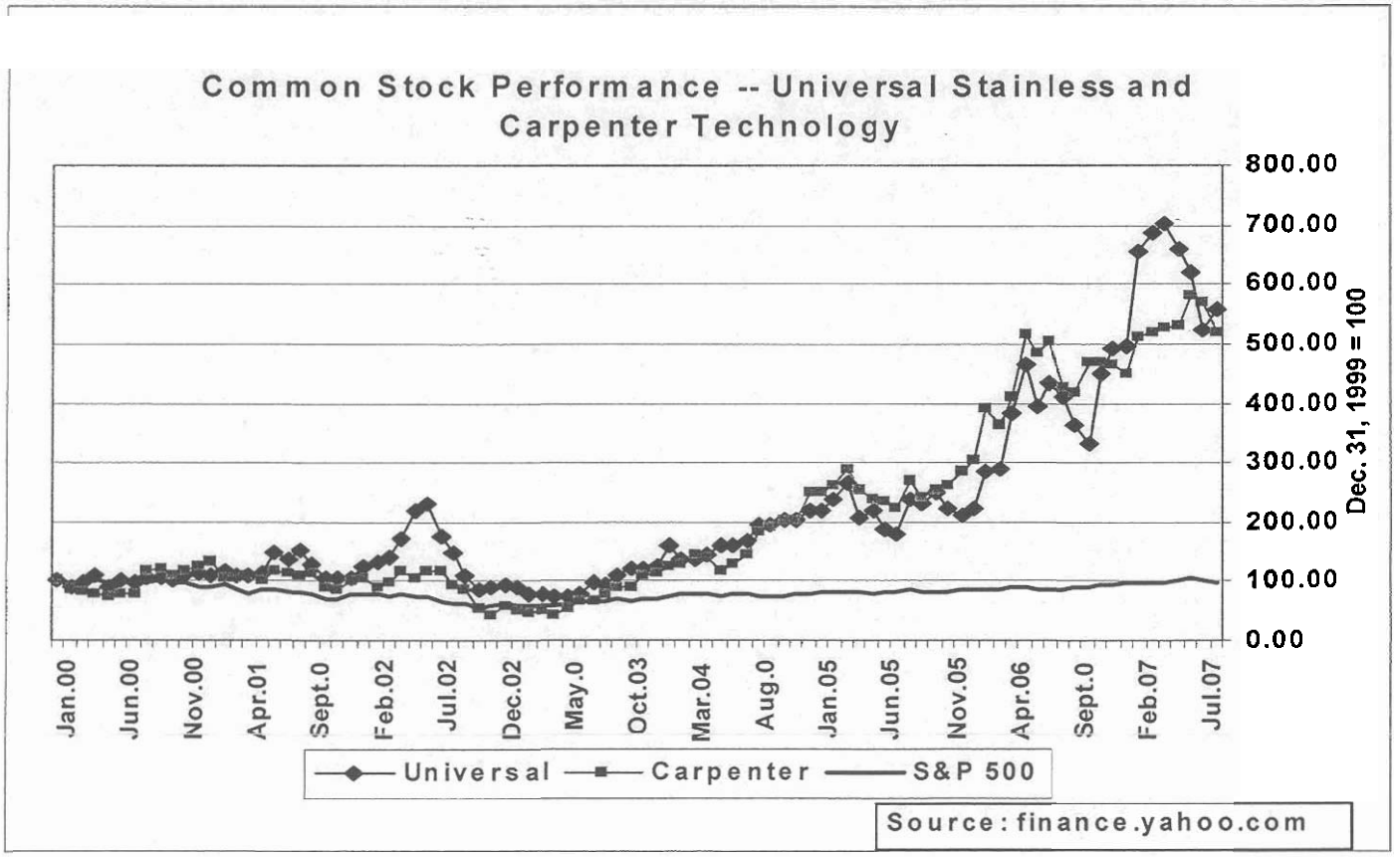

Common Stock Performance -- Universal Stainless and Carpenter Technology
800.00
700.00
600.00
500.00
400.00
300.00
200.00
100.00
0.00
Dec. 31, 1999 = 100
Jan.00
Jun.00
Nov.00
Apr.01
Sept.0
Feb.02
Jul.02
Dec.02
May.0
Oct.03
Mar.04
Aug.0
Jan.05
Jun.05
Nov.05
Apr.06
Sept.0
Feb.07
Jul.07
Universal
Carpenter
S&P 500
Source: finance.yahoo.com

Exhibit 8
U.S. Producers' Reported Financial Results for Stainless Steel Bar

Sales:	2001	2002	2003	2004	2005	2006	2006-H	2007-H
Quantities	137,456	134,824	159,825	167,230	178,404	188,636	94,235	98,852
Value ($000)	399,569	377,134	458,214	596,495	771,243	971,841	401,614	640,937
Cost of Goods Sold	385,607	362,905	482,859	507,798	662,928	810,944	338,328	529,454
Gross Profit ($000)	13,962	14,229	-24,645	88,697	108,315	160,897	63,286	111,483
Total SG&A ($000)	39,083	33,549	34,429	30,695	33,685	39,370	17,710	20,910
Operating Income ($000)	-25,121	-19,320	-59,074	58,002	74,630	121,527	45,576	90,573
Other Income/Expenses ($000)	-11,884	-10,215	-7,026	-3,252	-4,274	-1,698	-5,568	-4,512
Net Income ($000)	-37,005	-29,535	-66,100	54,750	70,356	119,829	40,008	86,061

Exhibit 9
Stainless Steel Bar Demand by Region
(000 metric tonnes)

Region	2001	2002	2003	2004	2005	2006	2007 (e)	2010 (e)	2001-07 Growth (%/yr.)
Americas	260.3	250.5	228.8	269.0	283.0	268.9	271.9	283.1	0.7
Asia ex. China	379.0	360.7	379.4	390.5	399.9	403.5	412.0	438.6	1.4
China	100.2	144.0	188.2	284.6	324.3	405.4	437.8	551.5	24.6
Europe and Africa	441.6	412.3	434.5	464.2	480.3	552.3	560.6	589.1	4.0
World	1183.5	1170.3	1233.5	1410.7	1496.8	1645.1	1699.3	1883.3	6.0

(e) – estimate

Source: ISSF

Exhibit 10

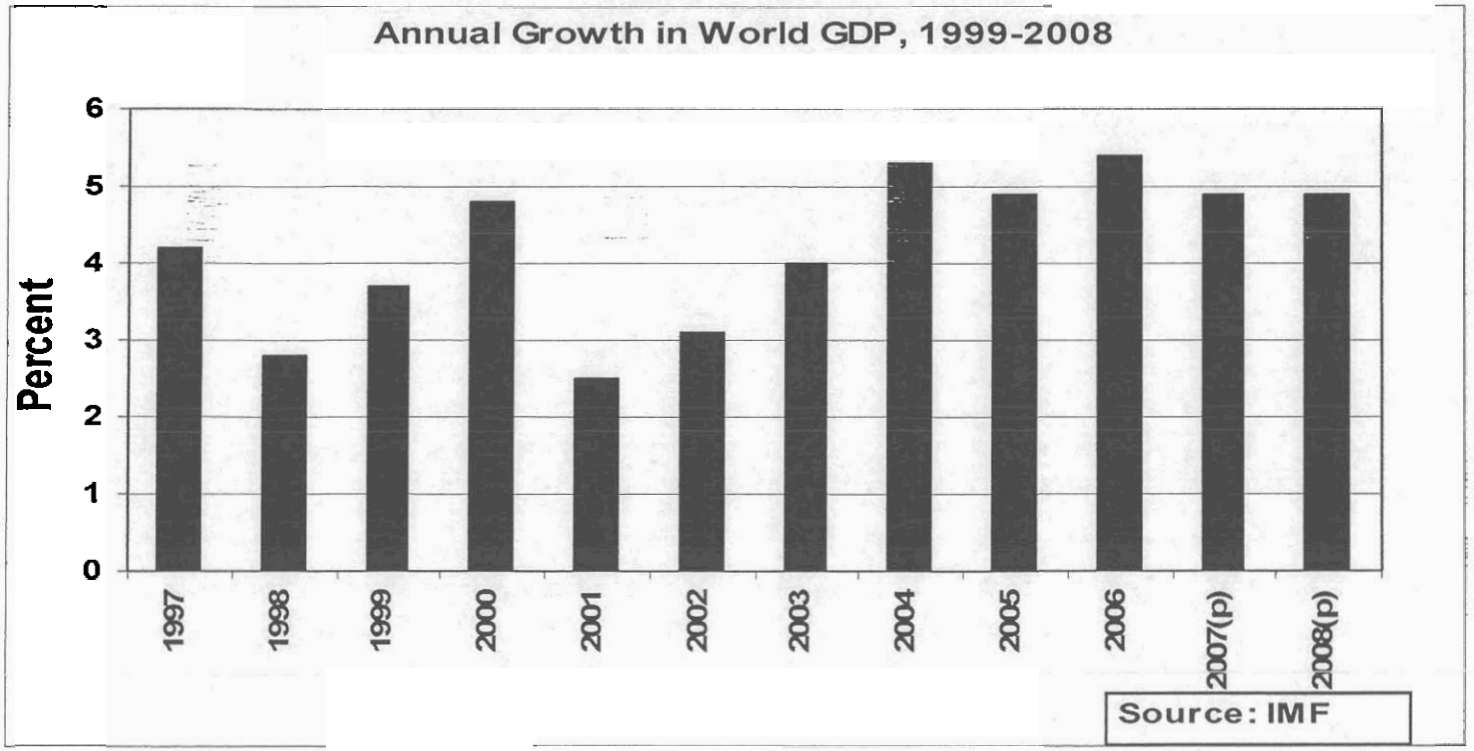
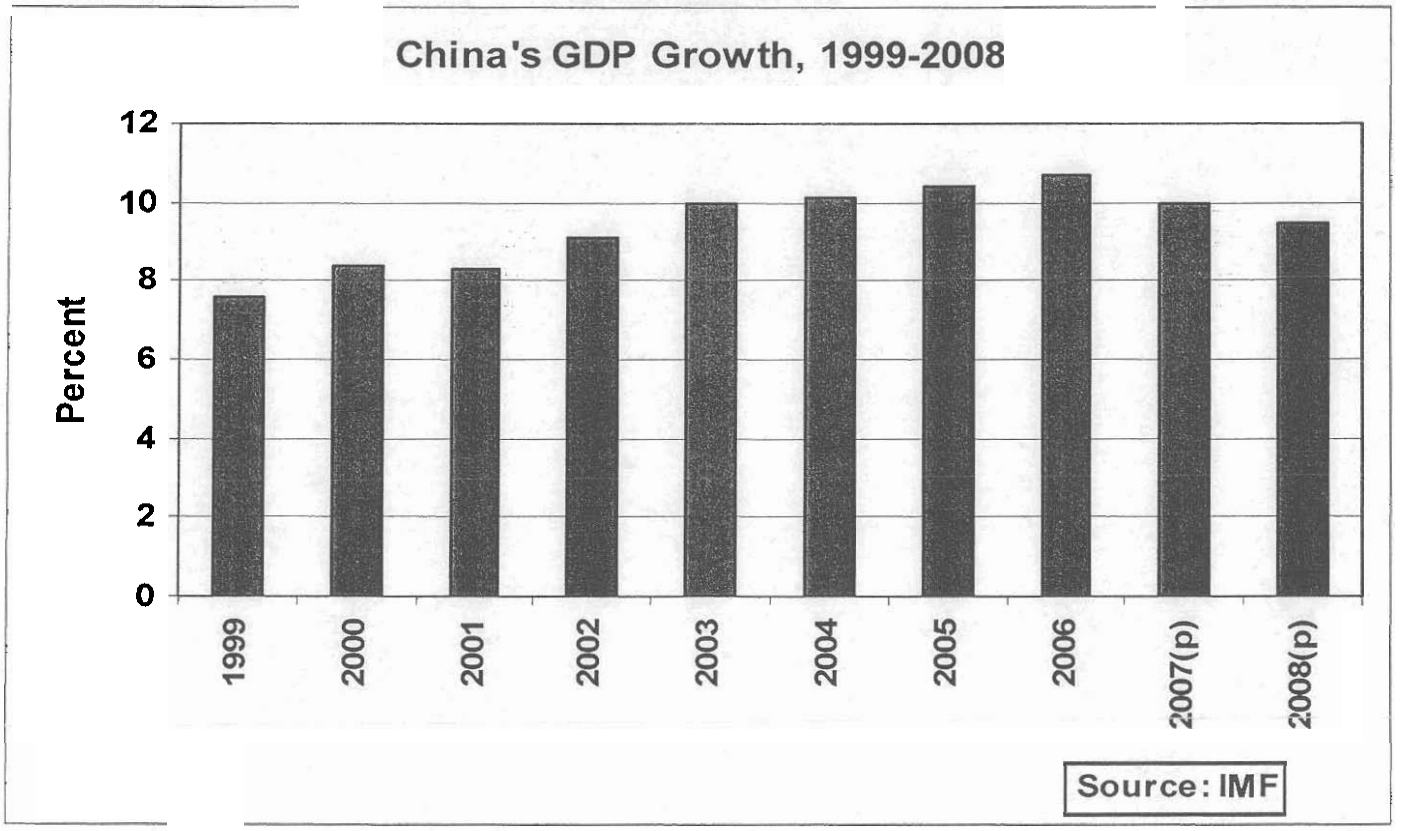

Annual Growth in World GDP, 1999-2008
Percent
6
5
4
3
2
1
0
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007(p)
2008(p)
Source: IMF

Exhibit 11


China's GDP Growth, 1999-2008
Percent
12
10
8
6
4
2
0
1999
2000
2001
2002
2003
2004
2005
2006
2007(p)
2008(p)
Source: IMF

Investigated French and Italian Companies

France:

- Ugitech
- Aubert & Duval

Italy:

- Valbruna
- Foroni
- Cogne
- Italfond
- Rodacciai
- ~~Bedini~~

Impact of Section 129

France:

- ~~Ugitech~~
- Aubert & Duval

Italy:

- ~~Valbruna~~
- ~~Foroni~~
- Cogne
- Italfond
- ~~Rodacciai~~

~~Bedini~~

Remaining Companies Not Focused on U.S. Market

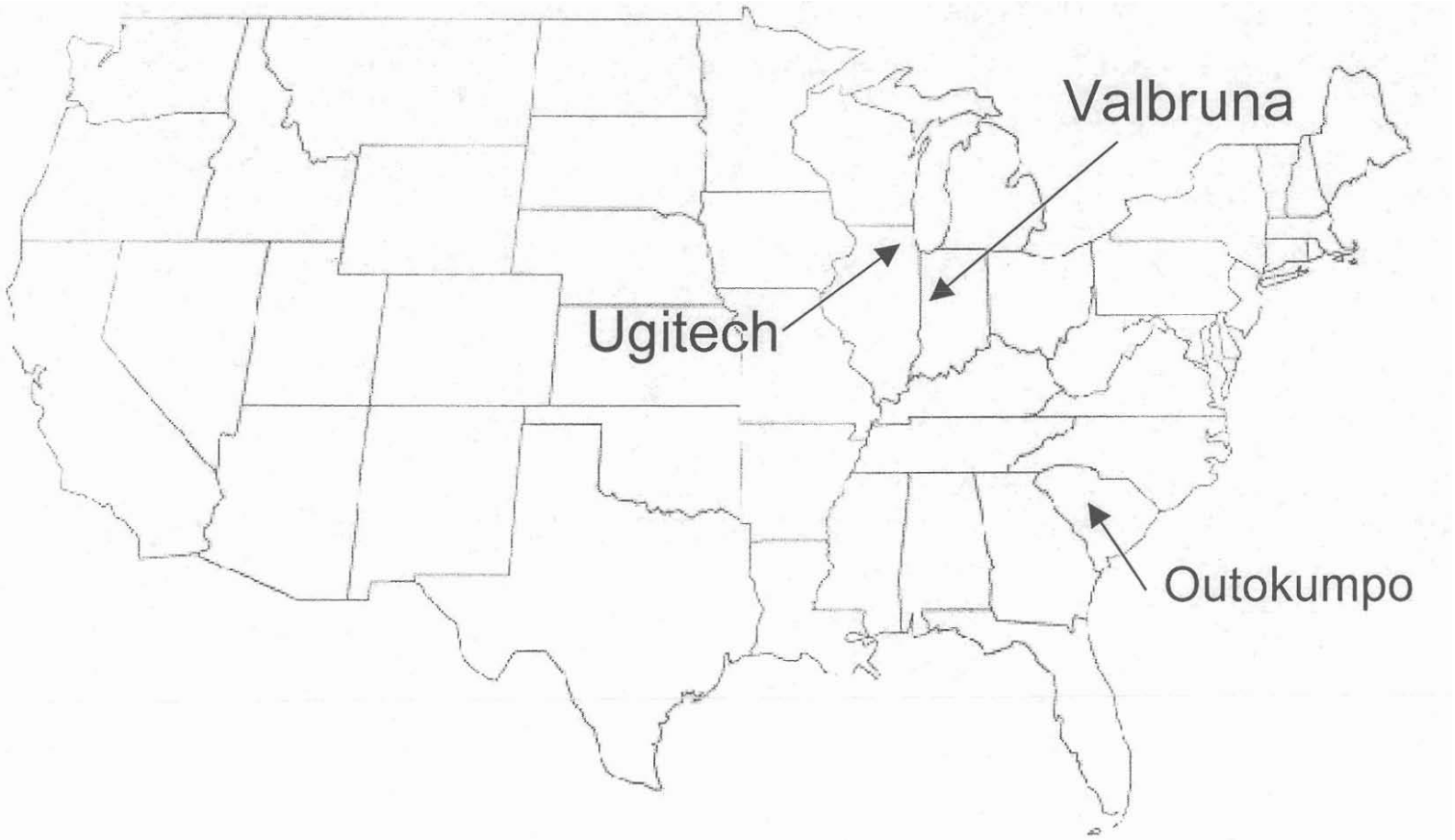
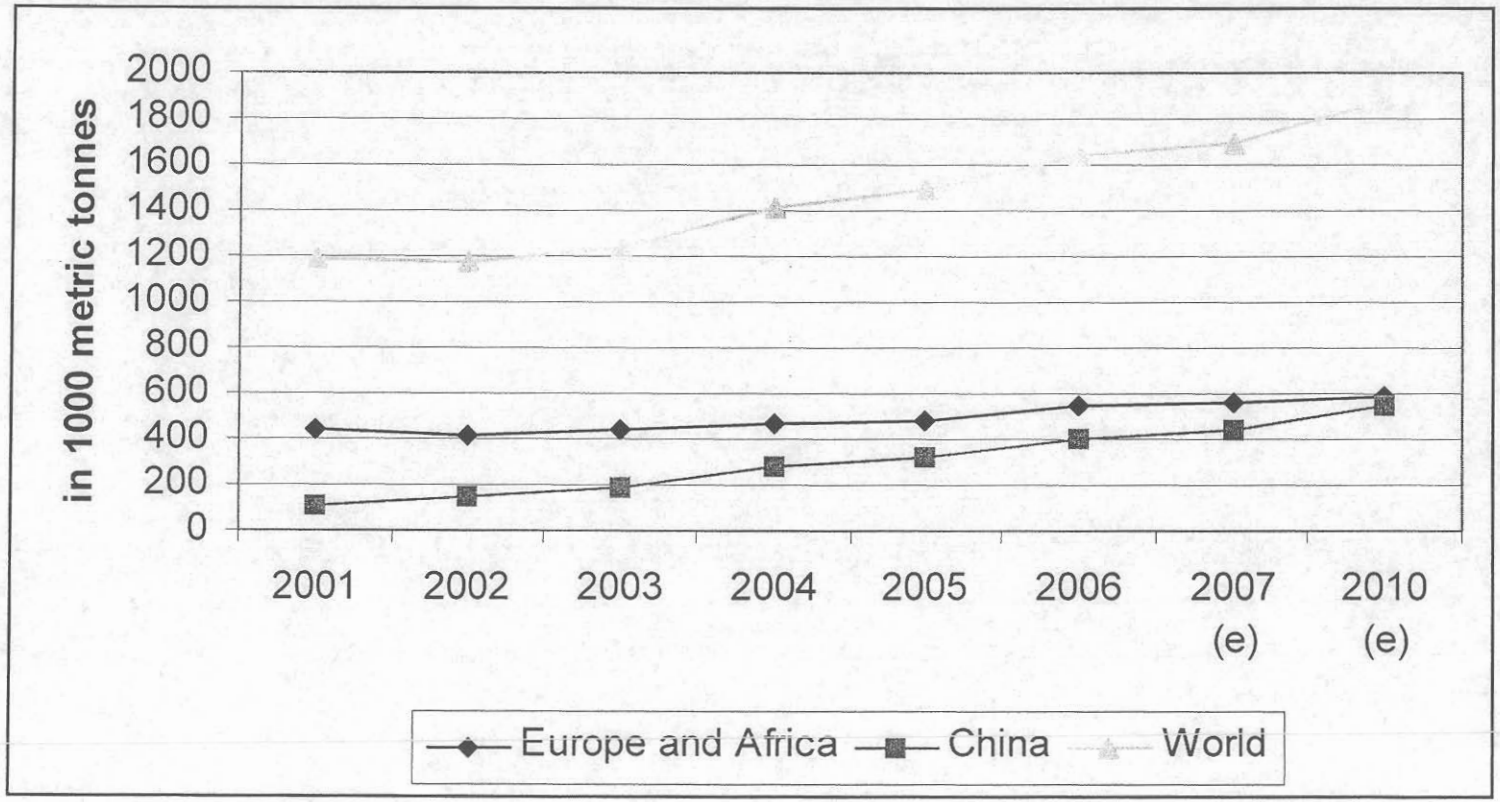
- France:
  - Ascometal
  - Aubert & Duval
  - Acieries Bonpertuis
- Italy
  - Cogne
  - Italfond
  - Acciaierie Bertoli Safau
  - Sama Inox
  - Acciai Speciali Zorzetto

Market Focus in Europe

- Prices in Europe are higher than anywhere else in the world
- Transportation costs are kept to a minimum because of the short distances involved
- Demand is high and growing

Declining dollar discourages exports to the United States

Investment in US Market by Subject Producers



Demand Is High and Increasing