

**Written Testimony of Tobin Pospisil
President, Gallatin Steel
ITC Sunset Hearing- Hot Rolled Steel from China
Thursday October 31, 2013- 9:30 a.m.**

Good Morning Chairman Williamson and members of the Commission. My name is Tobin Pospisil and I am President of Gallatin Steel of Ghent, Kentucky. I have been in the steel industry for 23 years and I have been with Gallatin for 10 years.

We are a single location electric furnace mini-mill company. We only produce hot-rolled steel so clearly these reviews are extremely important to our company and our four hundred and fifty employees. Thousands more have jobs in maintenance, supply and transportation support around our mill.

While the economy has been slowly recovering for the past four years, steel demand still remains mediocre. This is in part due to the unevenness of the recovery across various sectors. Pricing for hot-rolled steel has been low for the last two years and is much lower than it was in the first half of 2011. That is why your staff report shows very poor industry results both in the second half of 2012 and the first half of 2013.

Gallatin has been transforming itself over the last several years focusing on quality improvements and service levels to enhance the partnerships we have with our customers, leading to us both growing stronger. Our results have been successful on one level as we have achieved record levels of production from June through August despite the stagnant market

conditions. From a profit standpoint, our results continue to be disappointing as all of this effort is negated by unfairly traded imports driving prices below sustainable market levels.

It seems whenever the industry pushes through some increased pricing in order to restore profitability that imports, particularly of products downstream from hot-rolled such as cold-rolled, galvanized and particularly pipe and tube products always surge into the U.S. market. That is because the world is literally awash in steel overcapacity and the countries subject to this sunset review are the world leaders in overcapacity.

There is no doubt in my mind that direct hot-rolled imports from these six countries will surge at dumped and subsidized prices again if these orders are revoked. The result of that import surge will be lower prices, restrained production, fewer work hours and smaller paychecks for our dedicated workforce. While the competitively strong producers are always survivors and I have no doubt Gallatin will survive no matter what, other facilities in the U.S. are in such a weakened condition it is doubtful whether they can survive another major import surge of hot-rolled sheet. Therefore, on behalf of our 450 associates at Gallatin we ask that you continue these orders.