BEFORE THE UNITED STATES INTERNATIONAL TRADE COMMISSION

IN THE MATTER OF CERTAIN MAGNESIA CARBON BRICKS FROM CHINA AND MEXICO

INVESTIGATION NOS. 701-TA-468 & 731-TA-1166-1167 (FINAL-1)

STATEMENT OF THOMAS A. DANJCZEK

PRESIDENT

STEEL MANUFACTURERS ASSOCIATION

JULY 27, 2010

Submitted by
Doyle, Barlow & Mazard PLLC

Madam Chairman, Commissioners and Staff:

My name is Thomas A. Danjczek. I am president of the Steel Manufacturers Association ("SMA"), a trade association representing 36 North American companies operating 125 steel plants and employing about 60,000 people. SMA is located at 1150 Connecticut Avenue, NW, Suite 715, Washington, DC 20036.

SMA is the primary trade association for scrap-based electric arc furnace steelmakers. SMA member companies produce over 70 percent of the total steel made in the United States. SMA also has 129 Associate member companies who provide goods and services to the steel industry. SMA members are widely dispersed across North America, with 31 locations in the United States, three in Canada, and two in Mexico. The U.S. companies are represented in the United States Congress by 125 Congressional Districts in 37 states.

Before becoming President of SMA eleven years ago, I spent my career of thirty years in the steel industry. I participated from an entry level maintenance foreman for Bethlehem Steel to Superintendent, Continuous Caster at Kaiser Steel, to General Superintendent, Steelmaking at Wheeling-Pittsburgh Steel, eventually progressing to General Manager of their integrated plant. I enjoyed 30 years of building, operating, and improving steelmaking facilities in the United States. Thus, I am familiar with the important role magnesia carbon brick ("MCB") play in the production of steel.

My statement is intended to express my support for this antidumping and countervailing duty case initiated by Resco Products, Inc. against the importation of Chinese and Mexican MCB. It is in our domestic steel industry's interest to continue to have a reliable, domestic source of supply of MCB, which are a vital input used in the steel manufacturing process.

Earlier this year, the Department of Commerce ("DOC") determined that China is providing illegal subsidies for the exports of MCB and the Mexican and Chinese MCB producers have been illegally dumping MCB products into the U.S. market. As a result, the DOC preliminarily imposed subsidy rates of 21.12% on the raw material inputs and a rate of 1.69% on electricity for imported Chinese MCB and also imposed astonishing dumping margins ranging from 50 to 236 percent. The issue before the Commission now is whether these illegal actions are causing material injury to U.S. producers.

Since the DOC imposed margins on illegally imported MCB from China and Mexico, circumvention, diversion and mislabeling occurred with MCB produced in China. There is significant evidence in this case that has been presented to the appropriate office at the United States Customs and Border Protection indicating that Chinese-produced MCB are being mislabeled, diverted and imported to the United States from other countries by falsifying the country of origin in order to circumvent the preliminary DOC order. For example, several instances have been identified of Chinese MCB producers failing to properly identify the country of origin where they currently produce MCB. MCB manufactured in China are entering the United States with Korea listed as the country of origin. Other instances show Chinese producers removing all country of origin markings from pallets of MCB imported into the United States and fraudulently identifying the products as being produced and shipped from Korea. Still other instances show that MCB are shipped from China to Korea and loaded onto larger vessels for transportation to the United States. Given the Chinese MCB industry's propensity to divert product in order to circumvent the DOC's order, it is important for the Commission to find significant injury from both Mexican and Chinese imports. If Mexico is not part of an ITC injury finding, Chinese MCB producers will use Mexico and its proximity to the United States as

a location to circumvent an order against Chinese imports. This very problem of circumvention and diversion we have seen in other industries, including steel products produced in China.

As the Commission is well aware, our member companies also appear before you in other antidumping cases designed to remedy unfair trade practices and to redress the resulting injury to U.S. steel producers. The same principle applies to our important suppliers. I respectfully urge that the Commission reach an affirmative decision in this very important case and find that significant injury resulted to the domestic MCB industry as a result of dumped MCB from Mexico and China.

Respectfully submitted,

Thomas A. Danjczek

President
Steel Manufacturers Association