



**ECONOMIC CONSULTING SERVICES, LLC**

**BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**IN THE MATTER  
OF**

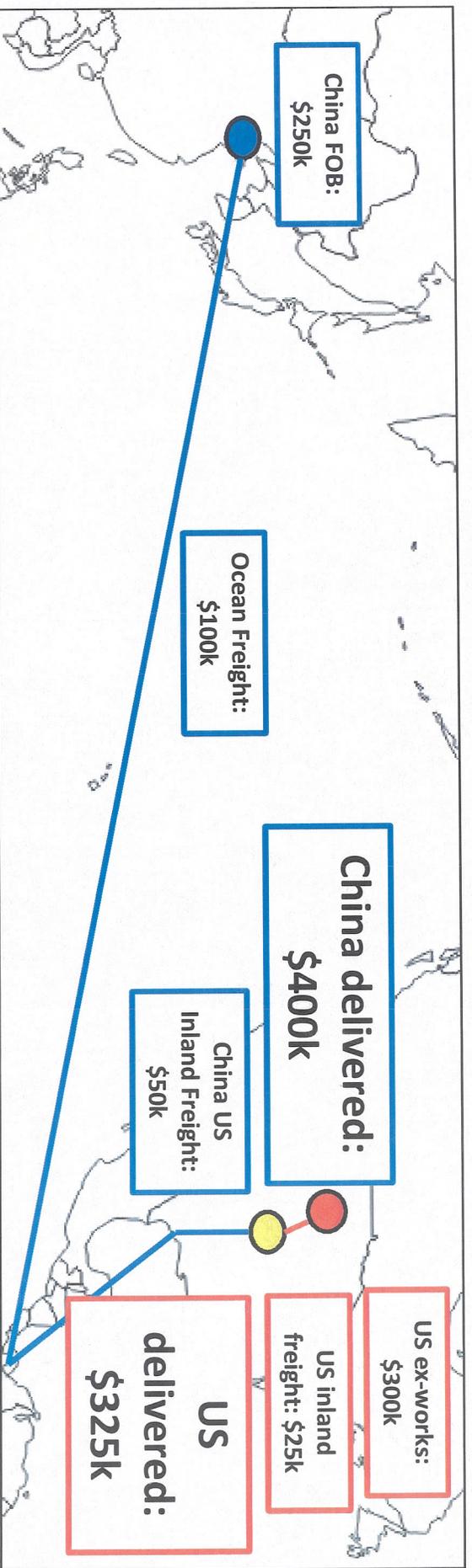
**UTILITY SCALE WIND TOWERS FROM CHINA AND VIETNAM  
Inv. Nos. 701-TA-486 and 731-TA-1195-1196 (Final)**

**EXHIBITS TO TESTIMONY OF  
JIM DOUGAN  
SENIOR ECONOMIST  
ECONOMIC CONSULTING SERVICES, LLC**

**DECEMBER 13, 2012**

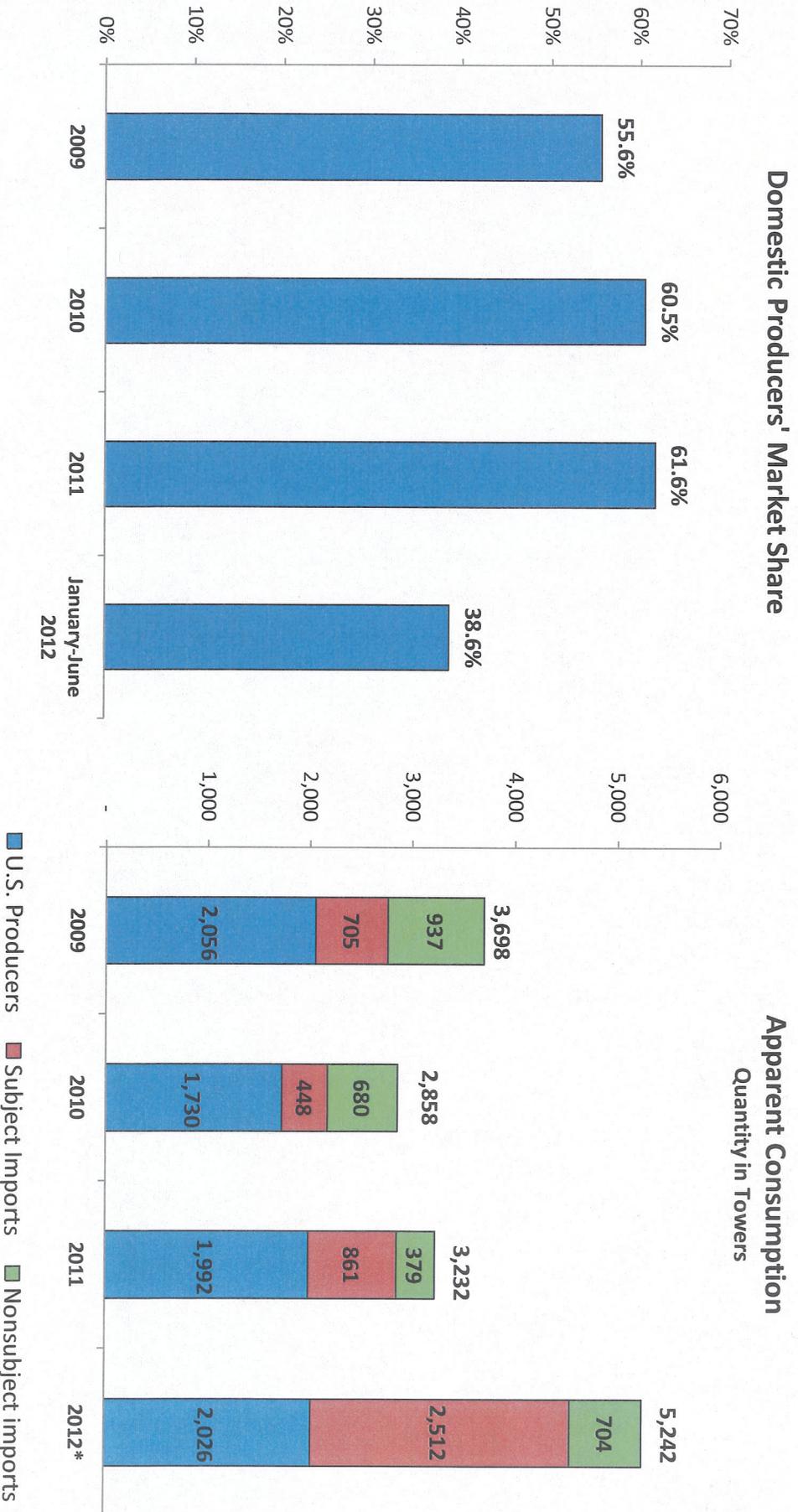
**Washington, D.C.**

# FOB Price is Not An Appropriate or Rational Basis for Comparisons of Wind Tower Prices



- Wind towers typically weigh at least 100 short tons
- Between 80m and 100m tall
- CS Wind China (Lianyungang port) → Houston, TX: ~10,000 nautical miles

# Domestic Producers Appeared to “Lose” Market Share in 2012 Only Because Demand Exceeded What They Could Supply



\*2012 towers figures annualized based on January-June figures.

Source: 2009-2010 Public Preliminary Staff Report at Table IV-4 and IV-5, 2011-2012 Public Staff Report at Table IV-5 and IV-6.

# Closures and Shifts in Production Are Attributable To The Expiration of the PTC – Not Subject Imports

- **DML/Trinity Acquisition:** “Olsen says the decision to sell DML...was driven by three factors: Congress not renewing the wind production tax credit (PTC) beyond this year, lack of predictable energy policy and low natural gas prices.”
- **Trinity Shifting Production:** “Began shifting excess wind tower capacity to support railcar production as part of our flexible manufacturing platform due to the potential expiration of the Production Tax Credit on 12/31/12.”
- **Katana Sale/Closure:** “However, that same pending tax credit expiration has caused the wind industry to halt the majority of development for 2013 until government policy is more certain. This ongoing uncertainty in the wind industry has taken a toll on the future of companies like Katana Summit. Kevin Strudthoff, President/CEO of Katana Summit said “It’s unfortunate that the gridlock in Washington D.C. has prevented the extension of the Production Tax Credit..I hope we can find a buyer to keep these plants operating but unless government policy for renewable energy becomes more stable I’m afraid we’ll see more closures and job losses in the industry into 2013.”
- **Martifer-Hirschfeld Ending Production:** See footnote 3 on III-5 of Staff Report.
- **SIAG Aerisyn Bankruptcy:** Filed following a similar filing by its German parent company.

Sources: Based on Listing in SR at Table III-1. Includes only discussion of closures after the Preliminary Determination.

DML/Trinity: RECHARGE article, *PTC fears and cheap gas behind DML wind tower sale*. <http://www.rechargenews.com/energy/wind/article319888.ece>

Trinity: 8-K, SEC filing, November 6, 2012, pg. 20

Katana: September 2012 Announcement to Seek Out a Buyer, <http://www.katana-summit.com/pdfs/KatanaPressRelease091112.pdf>

SIAG Aerisyn: SR at Table III-1.