

Testimony of Dr. Mattias Gierse
Chief Sales Office, C.D. Wälzholz KG

Good afternoon, I am Mattias Gierse, Chief Sales Officer for CD Walzholz, also called CDW. I have been involved in the sales of NOES in Europe and the United States for many years.

CDW began selling NOES in the United States in 1996 and since that time has sold stable volumes of higher-end NOES to only a small and stable group of customers. Our market share never has climbed above low single-digits and we have not sought to expand upon this through unfair pricing.

In recent years, our sales mainly have been to a single customer – Siemens – and most of these sales have been of a highly specialized, “high-permeability” product that is manufactured to a Siemens specification that AK Steel does not produce.

AK Steel has claimed that it is capable of producing a “high-permeability” or HP product through “two-staging”. But the grades listed in AK Steel’s brief do not meet Siemens’ specifications and, regardless of AK Steel’s theoretical capabilities, the fact is AK Steel never has made such an HP product. Siemens’ written comments in this proceeding make that clear.

In addition, our HP supply is one component of a broader supply arrangement with Siemens. CDW and Siemens together spent

considerable time and resources on a joint effort to develop the product for Siemens' specific applications. CDW is qualified to supply Siemens in Europe and the United States with the same product, and our close technical cooperation in improving this product remains ongoing.

For these and the other reasons identified in our brief, we are not a direct competitor of AK Steel, and we cannot see how the German industry's small volumes of specialized products present any threat of injury to AK Steel.

On the question of critical circumstances, it is again difficult to see how CDW's imports after the petition was filed could have any impact on AK Steel, much less "seriously undermine" the effectiveness of any antidumping order.

Our shipments during the months following the Petition were made for reasons unrelated to the Petition, and for the most part were for sale to customers that AK Steel is not qualified to supply. Also, our imports from Germany during this period accounted for a very small share of the total US market – and they declined dramatically in the first-half of 2014. As a result, our inventories in the United States of NOES from Germany have been reduced to a level that is insignificant by almost any measure.

That concludes my testimony. Thank you.