

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

_____)
Non-Oriented Electrical Steel from China)
Germany, Japan, Korea, Sweden and Taiwan)
_____)

Inv. Nos. 701-TA-506-508 and
731-TA-1238-1243 (Final)

Testimony of Brad Beuc

Madam Chairman and Members of the Commission:

1. My name is Brad Beuc. I am the Vice President of Global Sourcing for Steel and Mechanical Components for Emerson Electric. I have worked for Emerson nearly 11 years while starting my career in 1991 in the steel industry. Emerson had \$24.7 billion dollars in revenue in the most recent fiscal year. We produce many products globally such as transformers, generators and industrial motors manufactured from NOES, GOES and CRML. Globally, Emerson has approximately 110,000 employees working at 230 manufacturing locations. We have approximately 60 businesses spread across five business segments. We design and sell our products to a wide variety of U.S. based customers. This trade case could have direct or indirect impacts across our Business Units in this region in particular Appleton in Rainesville Alabama and Leroy Somer in Lexington Tennessee and Mankato Minnesota.

2. For NOES, we buy from distribution, processors and mill direct. We typically know the origin of the steel and we rely on our suppliers to develop and align the best quality and most reliable supply chain.

3. While this case is directed at NOES, the Commission should understand that electrical steel such as NOES, GOES as well as Cold Roll Motor Lamination (CRML) all service the electrical steel market. While there are applications where NOES and GOES are the only products that will work, there are other applications where NOES and CRML can be interchanged. CRML competes with some grades of NOES even though CRML is generally less expensive as its cost of production is less.

4. It should be noted that new US efficiency guidelines taking effect in 2016 will force manufacturers to use higher grades of NOES. This will likely stimulate additional demands in the region and new investments in technology and capacity.

5. We are aware of what's been talked about in regards to this NOES case. Emerson and our Business Units are not motivated solely by price in determining our product purchases. Emerson's supply chain

networks are based on striking a balance between reliability, quality, technology development and total cost of ownership. We try to reduce our supply chain risks by mitigating single source networks as we align with technology leaders who innovate.

6. In terms of availability, it's essential to have strong regional suppliers. We expect our suppliers to meet and exceed our expectations as those expectations are based on what our customer's demand of us.

7. Ultimately, it is not just about price. It is about the total cost of ownership – the balance between “Quality, Speed and Flexibility”. I wanted to thank you for the opportunity to appear.