

**Before the
UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

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IN THE MATTER OF))
)) **ITC Inv. Nos. 701-TA-526-527 and**
MELAMINE FROM CHINA) **731-TA-1262-1263 (Final)**
AND TRINIDAD AND TOBAGO))
_____))

TESTIMONY OF GREG ZOGLIO

November 3, 2015

Good morning. My name is Greg Zoglio. I am the CEO of Cornerstone Chemical Company. I have been in my current position since 2011. Prior to that, I was the Vice President of our predecessor company, where since the beginning of 2008, I was responsible for the sales, marketing, and operations of our Building Block Chemicals Division, which included, among other business groups, our melamine business. I began my career in the chemical industry in 1992 and have been involved in several different industry segments at manufacturing facilities located in Idaho, Texas, and Louisiana.

This case is of critical importance to our company and to the preservation of our melamine operations. In 2010, we were utilizing nearly all of our melamine capacity, U.S. market prices were reasonable, and the Company was profitable. That all changed in 2011 when imports from Trinidad severely undercut U.S. market prices in order to grab a large share of the U.S. market. During the period

of your investigations, imports from Trinidad and Tobago undersold our melamine by significant margins to capture a large share of the U.S. market. Cornerstone had to lower its prices sharply to avoid further loss of market share in order to have enough volume to keep our plant running on a 24 hour/7 day schedule, which it is designed to do and is imperative to do in order to maintain the economics to justify continued operation. We lost tens of millions of dollars in sales and revenue to the unfairly priced imports.

These significant volume and price effects have had a devastating impact on our bottom line since Trinidad overwhelmed the U.S. market in 2011. As you will see from our confidential data, our financial results have been very poor since 2011. Given our weak financial condition, we were unable to justify any further investment in the melamine business during the period of your investigations. We had to shelve growth plans despite the improving economic picture for the downstream industries that we serve.

Our team will highlight these aspects of our case in more detail today. I would just like to provide some additional background on our company and explain the importance of our melamine operations to Cornerstone, our employees, and the community where we operate.

Cornerstone Chemical Company is the sole manufacturer of melamine in North America. We are also a leading U.S. manufacturer of acrylonitrile and a top

supplier of sulfuric acid in the Gulf of Mexico region. Located on an 820-acre site just outside New Orleans, Cornerstone safely operates a world-class, highly synergistic manufacturing facility adjacent to the Mississippi River. Known for its high-quality products, Cornerstone is recognized worldwide for its reliability as a critical global supplier of intermediate chemicals.

Our facility was constructed by our predecessor company American Cyanamid and has been in operation since 1952. Today, we operate three major manufacturing units and provide infrastructure support for three other major chemical producers that share our site and share synergies with the Cornerstone manufacturing units.

Cornerstone's melamine facility supplies primarily U.S. and European resin producers. These resins are used in the production of paints and coatings for the automotive and coil coating industries and in the production of decorative paper for cabinetry, countertop, and flooring production. Melamine is also used directly by both low and high pressure laminate producers in the countertop and flooring markets, where melamine resin imparts hardness to the clear-coat surface preparations providing a lower cost alternative to carpet, hardwood, and stone solutions to the ultimate consumer. Finally, melamine resins are used in new residential and commercial construction as it is added to phenolic and urea formaldehyde resins, where it acts as a scavenger to reduce formaldehyde

emissions in wood resin applications such as Oriented Strandboard, Medium Density Fiberboard, and Hardwood Plywood.

As I mentioned, Cornerstone has a long history. Our initial plant operations were established to manufacture products pioneered in support of the war effort in the 1940s. The initial plant structure was designed to upgrade and commercialize natural gas discoveries in the South Louisiana marshes. The facility was operated by American Cyanamid until 1993, when it was spun off as part of a new Company, Cytec Industries. The facility was most recently sold in 2011 to a private company and has operated independently since that time as Cornerstone Chemical Company.

As set out in our mission statement, we consider ourselves “Experts at converting energy into industrial chemicals on a large scale.” And our vision is to do this safely and efficiently to minimize our environmental footprint. We pride ourselves in being a key part of our employees’ lives and a valuable member of our community. We strive to treat these critical stakeholders with the utmost trust and respect while generating economic value in return for individual investment and community support.

We recognize it is our customers who enable our existence. We relentlessly pursue innovation to exceed their expectations in terms of quality, service, support

and delivery, nurtured by a culture that fosters commitment to excellence and the unwavering passion of our employees.

The Cornerstone plant has an enormous impact on the local community and local economy. We currently employ over 450 direct employees. In addition, approximately 150 regular contract employees support these operations. The Louisiana Department of Economic Development estimates that our onsite headcount supports over 3,000 additional indirect jobs offsite.

In conclusion, while Cornerstone welcomes fair competition, we cannot compete with imports that are subsidized by foreign governments and dumped by foreign producers. Before the flood of dumped and subsidized imports, our melamine plant successfully competed in the global marketplace. We can do so again if duties are imposed to offset the subsidies and dumping to restore a level playing field in the U.S. market. On behalf of our management team, our employees, and our local community, we respectfully request that the Commission make affirmative determinations with respect to both Trinidad and China.