

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

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Certain Corrosion-Resistant Steel Products)	Inv. Nos. 701-TA-534-538 and
from China, India, Italy, Korea, and)	731-TA-1274-1278
Taiwan)	(Final)
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**Testimony of Alessandro Geroldi
Export Area Manager
Acciaieria Arvedi S.p.A**

Madam Chairman and members of the Commission:

1. Good afternoon. I am Alessandro Geroldi, Export Area Manager of Acciaieria Arvedi S.p.A. I am accompanied by Livia Schizzerotto, who is general counsel for Arvedi Group.

2. Arvedi is a highly diversified, independent, family-owned steel company. In addition to galvanized steel, Arvedi produces hot-rolled steel and cold-rolled steel, and sister companies produce pipe and stainless steel products.

3. Like the rest of the Italian steel industry, Arvedi is focused on selling hot-dipped galvanized steel in Italy and in the EU. This is our natural market and it is where we believe we have a competitive advantage. In this regard, our approach is much like that of domestic producers who focus on the United States market and export primarily to Canada, and Mexico. Our costs in Europe are as

high or higher than in the United States. Therefore, we are not in a position to compete on the basis of price.

4. Arvedi is the largest Italian supplier but still a very small supplier of CORE to the U.S. market. Arvedi's exports were flat between 2014 and 2015 but in both years our exports never exceeded 100,000 tons. We have a limited number of U.S. customers that has not changed over the period of this investigation. All of our sales are produced to order.

5. In 2014 and 2015, Arvedi explored opportunities in the U.S. market due to the combination of Euro/dollar exchange rates and strong demand in the United States. However, our available tons are very limited. You can see that even under the conditions of 2014/2015, we had very high capacity utilization near 100 percent.

6. Arvedi's exports to the United States have been concentrated in south Florida and Texas, where our exports primarily serve the construction market. Arvedi is able to offer thin gauge sheet (as thin as 0.012 inches) in widths of 50 inches up to 60 inches in special grades. Producing thin gauge material in this width is difficult, and we do not see competition from the U.S. producers for these products.

7. In 2011, Arvedi started a long-term industrial plan of 5 years focused on vertical integration of the output coming from the Hot Rolling Mill. The

investments were to diversify our production into downstream products and not to increase production. The introduction of these new and different products has strengthened our position in the European market.

8. After the recent period of crisis, the current state of CORE demand in Italy and the EU is stable, and in some sectors show a positive trend, particularly the automotive sector. In the case of Italy, we must not forget that ILVA, due to its financial and legal troubles, has lost about 50 percent of overall production, which has significantly influenced the offers of CORE in the domestic and European market. Imports into the EU from Asia have been small and are declining.

9. Finally, regarding ILVA, it is in receivership under management by state commissioners and operating at a reduced capacity, with only 4.7 million metric tons produced of all of its products in 2015 so they are not able to export to the U.S.

10. In 2016 we expect to have fewer tons available and we are projecting a decrease in our U.S. shipments. We have explained some of this in our confidential pre-hearing brief. In addition, the European market is improving and ILVA has reduced its production significantly. We focus on the automotive market which has the strongest demand in Europe and we have an entire sales staff dedicated to serve those markets. We have no sales network in the U.S. and we do not intend to invest in one.

11. Thank you.