

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

Certain Cold-Rolled Steel Flat Products)	Inv. Nos. 701-TA-540-544 and
from Brazil, China, India, Japan, Korea)	731-TA-1283-1290
Netherlands, Russia, and)	(Preliminary)
the United Kingdom)	

Testimony of Hyun Taik Lee, POSCO

Members of the Commission Staff:

1. Good Afternoon. I am Hyun Taik Lee. I am a Manager with the International Trade Affairs Group of POSCO. I have worked for POSCO for 2 years. POSCO is the largest steel producer in Korea.
2. Virtually all of POSCO's exports of cold-rolled steel consist of High Strength, Low Alloy automobile grade cold-rolled steel, and Black Plate used to produce tin mill products.
3. Before discussing POSCO, let me say something about the Korean steel industry. As recently as the 2002 Investigation of cold-rolled steel, there were 4 major producers of cold-rolled steel in Korea – POSCO, Dongbu Steel, Union Steel, and Hyundai Steel. While Union (which is now Dongkuk Steel Mill) and Dongbu still produce small amounts of cold-rolled, they generally produce for internal consumption for corrosion resistant steel. They are no longer major players in the U.S. market. This is not likely to

change. POSCO and Hyundai Steel are now the only significant Korean producers of cold-rolled steel for export.

4. This consolidation of the Korean cold-rolled industry has important implications for the Korean industry and for the U.S. market. It means much less internal competition between Korean producers for export sales. In fact, there is very little, if any, overlap and competition for U.S. customers. Secondly, both Hyundai Steel and POSCO have concentrated their exports primarily on the automotive sector and, in the case of POSCO, Black Plate for U.S. tin mill producers as well. Imports of these cold-rolled steel products are not injuring U.S. producers of cold-rolled steel.
5. Mr. Tennant will discuss our exports of Black Plate and their importance to OCC and the U.S. industry. Simply stated, POSCO provides an alternative supply to OCC so that it can maintain itself as an independent U.S. producer of tin mill products.
6. The other exports by POSCO and Hyundai are most significantly comprised of cold-rolled steel for use in automobile production. For automotive steel, strength is obviously important, but so is ductability (for steel used for stamping internal parts). In addition, automobile producers are constantly working to reduce weight in order to comply with auto mileage standards. As a result of these differences, cold-rolled steel used to produce

automobiles is manufactured to much tighter tolerances and is higher quality than cold-rolled for commercial or structural uses.

7. Speaking for POSCO, the automotive quality steel is generally High Strength Low Alloy quality steel. This is high quality cold-rolled that is not generally exported by foreign mills focusing on commercial and construction grade cold-rolled steel. It also tends to be relatively high priced in the market.

8. I'll be glad to answer any questions.

Thank You