

TESTIMONY OF JASON DELVES

Good afternoon. My name is Jason Delves. I am the President of Cabinets To Go and am pleased to have the opportunity to be here today. Cabinets To Go is a national retailer of ready to assemble “RTA” cabinets. We opened our doors 10 years ago with one store in Miami, Florida, with the idea that there was a previously under-serviced consumer market that wanted quality wood cabinets, but that was not interested in the assembled, custom and semi-custom products produced by petitioners. Our strategy was to service that customer by providing a quality RTA cabinet. We were right. What we found was a customer driven by value, availability and consistency of product. In exchange for these priorities, this consumer is willing to assemble the cabinet themselves. They don’t need a lot of styles or colors. They are frequently doing the project themselves and need it now – not in weeks or months. Petitioners’ stock, semi-custom and custom cabinets don’t meet those needs. But an RTA cabinet does.

That strategy has worked. Today, we are the largest specialty cabinet retailer in the US with 75 stores nationally and are projected to

reach 100 stores by 2023. We service our customers from a distribution center located in Lawrenceburg, TN where we stock an average of 22 weeks of supply of each and every product in 800K sq ft of warehouse space.

Cabinets To Go is a retailer, not a manufacturer. RTA sales make up 95% of our total cabinet revenues. In order for us to stay in business, we must have suppliers that are able to provide us with consistent RTA product in volumes that are sufficient for us to meet the demands of our customers.

In the beginning, Cabinets To Go attempted to source domestically. However, we were unable to locate suppliers that could provide us with enough volume. In fact, our growing needs were so different from the products and lead time of domestic suppliers that we quickly found the only way we could meet the demand from our customers was to turn to the global marketplace for supply of RTA cabinets.

Accordingly petitioners case has represented a significant financial hardship for Cabinets To Go. With virtually our entire supply of RTA's coming from China, we had no choice but to either look for alternative

sources or to close our doors forever, a move that would have resulted in the loss of over 450 jobs in the U.S.

Cabinets To Go has worked very hard to diversify our sources of supply outside of China. Indeed, we once again attempted to purchase RTA cabinets from some of the Petitioners, to no avail. This caused us to source these products from other Asian countries. Other retailers of RTA cabinets have been less fortunate. Solid Wood Cabinets, a small retailer in Pennsylvania was recently forced to close its doors forever because it was unable to weather additional duties and source RTA products domestically.

If, as Petitioners claim, RTA products are readily available domestically, Solid Wood Cabinets would still be in business today. Elimination of this retailer does nothing, however, to increase petitioner's made-to-order business. Solid Wood's customers are still not interested in the stock, semi-custom and custom products that petitioners sell. In fact, many have turned to Cabinets To Go for help in finishing their kitchens, because the RTA cabinets we offer are NOT interchangeable with the made-to-order stock, semi-custom and custom products sold by

petitioners. They are completely different products that attract different consumers who have different needs and desires.

While RTA cabinets enabled us to grow to what we are today, our future strategy is to add offerings that will appeal to new consumers. As part of that effort, we recently introduced in selected stores our own semi-custom cabinet line. Like petitioners' products, this product will be manufactured to the customer specifications, with hundreds to thousands of styles and colors available. It is a higher-grade cabinet that comes fully assembled, delivered direct to the customer. We do not carry inventory as each order is specific to the customer. This product is being produced by domestic suppliers.

In rolling out the test phase of this product, the question that loomed in our minds was, would it take away from our RTA business. The answer is a resounding NO. Our experience has shown that our RTA customer is still our RTA customer. The customer who wants value and speed wants an RTA cabinet. The customer who wants a custom, assembled cabinet is not interested in buying an RTA cabinet.

Cabinets To Go is a U.S. business. We support U.S. businesses. And if we could purchase quality RTA cabinets domestically in the volume we need, we would do so. Unfortunately, that isn't possible.

Cabinets To Go urges the Commission to determine that RTA cabinets are not injuring the U.S. industry that produces made-to-order stock, semi-custom, and/or custom cabinets. Thank you.