

TESTIMONY OF GAT CAPERTON, GAT CREEK / TOM SEELY FURNITURE
U.S. International Trade Commission, Inv. No. 731-TA-1058 (Review)
Wooden Bedroom Furniture from China
November 10, 2016

Good Morning. I am Gat Caperton. I own and run a wood furniture manufacturing company 90 miles west of here in Berkeley Springs, WV. We build bedroom, dining room and accent furniture. Our specialty is converting Appalachian hardwoods into beautiful furniture. Sustainability and craftsmanship are key tenets of our operations. All of our wood comes from locally and sustainably harvested forests. Each piece of our furniture is signed and dated by the artisan that built it.

Our business came to life in the 50's. Our founder, Tom Seely, served with the Flying Tigers in WWII to help liberate coastal China from Japanese occupation. After the War, Tom began buying, restoring and reproducing antique furniture. I purchased the business from Tom Seely 20 years ago in a leveraged buyout and have ridden a long roller-coaster ever since. (Tom passed peacefully last year at the age of 96, still proud of the company and furniture he helped build.)

Ten years ago, at the time of the original anti-dumping order, our business was in deep trouble. Our sales had shrunk 30+ percent and were totaling less than \$10 million. Employment had dropped from 140 to under 100 people. Our lines of credit were fully extended, and we needed almost 100 days to pay our vendors. We had no way to compete with product that was priced below the costs of its inputs. The anti-dumping order brought price stability back to wooden bedroom furniture and saved our business.

Today, we employ 120 artisans, run a world-class factory and will profitably produce over \$16 million of furniture. I believe technology, specifically CNC technology, is leading a manufacturing renaissance today. We run three CNC machines and will order a fourth in the coming months. "CNC" stands for Computer Numerically Controlled. Our CNC machines use the same technology as the digital printers we hear so much about. The key difference is that our machinery uses the technology in a subtractive, instead of an additive, manner. We start with a block or panel of solid-wood and then sculpt away the material that is not needed to create a part. A 3D printer would build a similar part in plastic or resin by stacking/adding thin layers atop one another. This is powerful stuff. It eliminates the need for many smaller, more dangerous pieces of equipment as well as hours of non-value-added time moving components between each machine. It also requires a long-term capital investment. We'll run and pay for these machines over a 10+ year period.

Continuation of the anti-dumping order is absolutely critical for these types of investments. The technology that drives our competitiveness requires long-term capital. Our bank, suppliers and other creditors all trust that we are allowed to operate in a market where foreign product is not dumped at prices below the costs of its inputs. If we lose the anti-dumping order, we will lose access to the capital that we need to maintain our competitiveness. Creditors will not wait for pricing to drop and losses to mount as they did prior to the anti-dumping order; they will begin pulling capital out of our industry immediately. Without capital, the manufacturing renaissance will pass us by.

Furniture manufacturing takes more than a few machines to be successful. We have a long history of craftsmanship, lean manufacturing, hard work and a commitment to doing things right for our customers, our employees, our community and our environment. Nonetheless, we needed the dumping to stop 10 years ago. It was painful and nearly killed our business. For our survival, we still need the law to continue to be enforced. Without the anti-dumping order in place, our bank, our suppliers, and even our employees will immediately assume (correctly I fear) that dumped product will return to market and will quickly take sales from us. We don't want this. We're invested for the long-term. We want to continue our mission of making beautiful furniture, creating great jobs, adding to our community and protecting the natural resources that we love.

Thank you.

