

Testimony of Hwan Soo Lee
Before the US International Trade Commission
Large Power Transformers from Korea, Inv. No. 731-TA-1189

Good afternoon. My name is Hwan Soo Lee and I am the General Manager of HHI's Atlanta office. In that capacity I have discussions with customers and learn about events in the market including those involving our competitors. One of our customers recently told me that Efacec's US facility delivered a transformer that was not acceptable which required Efacec to send engineers and workers from its facility in Portugal to fix the problems. I was told that it took Efacec more than a year to correct the problem. Based on my experience, this is not normal and suggests that there are problems with Efacec's manufacturing facility.

I read the public version of Petitioners' prehearing brief and I disagree with much of what was said. In the time I have today, I wish to draw the Commission's attention to the statement that "LPT's used in conjunction with nuclear power fall" in Category A. This suggested that all of the transformers were in Category A,

which is not correct. We will provide information in our Posthearing brief about a customer that represents 20 percent of the US nuclear industry's power capacity that directly refutes what petitioners said in their brief. Petitioners should have known that what they were saying was not correct because ABB Spain supplies this customer as well. In fact, most of the MVA ratings for new transformers with this company fall into Category B.

I heard petitioners' discussion of long term agreements this morning and I do not agree with how they have characterized them. None of HHI's long term agreements that were in effect from 2009 to 2012 were exclusive or established the quantities to be purchased. Most of the purchasers with whom we had an agreement still required HHI to submit bids each time, and most cover subject and nonsubject merchandise. Long term agreements do not preclude competition from companies that do not have such agreements, as long as they are otherwise qualified by the purchaser. Thank you.