BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom	)	Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)

Testimony of David Minnick, CEO of Kiswire America

1. Good morning. My name is David Minnick and I am the CEO of KISWIRE America, a U.S. producer of tire cord and bead wire used in the production of vehicle tires. I have been in the bead wire and tire cord business for 18 years. Simply stated, KISWIRE America depends on imports of Grade 1080 and higher wire rod used to produce tire cord and bead wire that is acceptable to the tire manufacturers. As a practical matter, production of this wire rod requires blast furnace production.

2. KISWIRE America was established in 1999. It now operates four plants with a capacity of 115 thousand tons. KISWIRE America employs 592 workers. We have two bead wire plants and two tire cord plants which are located in South Carolina and Arkansas. We have invested $250 million in these plants and were investing an additional $50 million to expand the tire cord production, which has been suspended as a result of this case.

3. KISWIRE America's position is that the Commission should find that 1080 grade wire rod for tire cord and bead wire is a separate like product from other wire rod. We agree with the definition of the product as described in the Pre-Hearing Staff Report.

4. In its Preliminary Determination, the Commission went through the like product factors it considers and found that wire rod is made up of a number of "niche products" requiring exacting specifications, and that there are no "clear dividing lines" between Grade 1080 for tire cord and Bead Wire and other specialty grades of wire rod. But in reaching this conclusion, the Commission dismissed the fact that this grade can only be made in BOF facilities and found that this fundamental fact is legally irrelevant.

5. With all due respect, one consequence of the use of EAF facilities by U. S. producers is that it has enabled them to compete efficiently for other specifications of wire rod, including various specialty products. However, the other consequence is that they cannot and do not produce Grade 1080 for tire cord and bead wire in sufficient quality and quantities. And if that isn't a "clear dividing line", then what is?

6. It takes roughly six months to one year for a tire company to approve bead wire and two or more years to approve steel tire cord. We have worked with various domestic suppliers in the US to qualify them to produce 1080 grade wire

rod for tire cord and bead wire. Those efforts have been unsuccessful. We have attempted to qualify Gerdau Ameristeel, ArcelorMittal Georgetown and Evraz Rocky Mountain. We worked with Evraz for 1 ½ years before discontinuing. And while some of these producers can and do produce lower grades of wire rod for tire cord and bead wire in the range of 1060-1070, they have been unable to consistently produce Grade 1080 in the quantity and quality required, and then they have done so using BOF billets.

7. US manufacturers of tire cord and bead wire require carbon wire rod of 0.8% carbon and higher, 5.0 mm- 6.5 mm in diameter that is clean of other metals and have a smooth finish, free of defects. We reduce the 5.0mm rod down to ranges of 0.15mm – 0.20mm. That is a 97% plus reduction in area. In order to perform this reduction and achieve the correct physical properties, the rod must not have impurities and the surface must be free of defects. So while there is Grade 1080 produced for PC Strand in larger diameters, different chemistries, and different mechanical properties, these wire rods are not useable for tire cord and bead wire. And while Evraz can and has used imported BOF billets to produce limited quantities of Grade 1080 wire rod for tire cord, the fact that these are the methods required further reinforces that this product is different from all other wire rod produced by the US industry. Moreover, the quantity of billets available is extremely limited.

8. Tire cord capacity in the US currently stands at approximately 170,000 tons, and growing, with demand of approximately 350,000 tons. Not only are U. S. producers limited in their ability to produce Grade 1080 for tire cord and bead wire, but only a handful of steel producers in the world are qualified to produce this quality of wire rod that can be drawn down to 0.15 mm – regardless of whether or not they have BOF facilities.

9. Without access to Grade 1080 wire rod for tire cord and bead wire, our U. S. facilities have no reason to exist.