UNITED STATES
INTERNATIONAL TRADE COMMISSION

In the Matter of:	)	
	)	Investigation No.:
SILICA BRICKS AND SHAPES FROM CHINA	)	731-TA-1205 (Preliminary)
	)	

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Thursday,
December 6, 2012

ALJ Courtroom B, Room 111
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C.

The hearing commenced, pursuant to notice, at 9:32 a.m.

APPEARANCES:

On behalf of the International Trade Commission:

Staff:

CATHERINE DEFILIPPO, DIRECTOR OF INVESTIGATIONS
JAMES MCCLURE, SUPERVISORY INVESTIGATOR
MARY MESSER, INVESTIGATOR
KATHRYN LUNDQUIST, INTERNATIONAL TRADE ANALYST
AIMEE LARSEN, ECONOMIST
SAMANTHA DAY, ECONOMIST
CHARLES YOST, ACCOUNTANT/AUDITOR
PETER SULTAN, ATTORNEY

MIKAYLA KELLEY, INTERN

In Support of the Imposition of Antidumping Duty Order:

On behalf of Utah Refractories Corporation:

RAY WORTHEN, President/Owner
DENNIS WILLIAMS, Vice President/Owner
TOM MULHOLLAND, Director

SAMUEL C. STRAIGHT, Esquire, Of Counsel
D. Zachary Wiseman, Esquire, Of Counsel
Ray Quinney & Nebeker
Salt Lake City, Utah

I N D E X

P R O C E E D I N G S

(9:32 a.m.)

MS. DEFILIPPO: Good morning, and welcome to the United States International Trade Commission's conference in connection with the preliminary phase of the antidumping duty Investigation No. 731-TA-1205, concerning imports of Silica Bricks and Shapes from China. My name is Catherine DeFilippo, and I am the Director of the Office of investigations, and I will preside at this conference.

Among those present from the Commission staff are, from my far right, James McClure, the Supervisory Investigator; Samantha Day, Economist; Aimee Larsen, Economist -- I'm laughing because we usually have the same order and people mixed up on me today -- Mary Messer, the Investigator. To my left, Peter Sultan, the Attorney; Chip Yost, the Auditor; and Kathryn Lundquist, the Industry Analyst.

I understand that the party is aware of the time allocations. I would remind speakers not to refer in your remarks to business proprietary information and to speak directly into the microphone. We also ask that you state your name and affiliation for the record before beginning your presentation or answering questions for the benefit of the court

reporter.

Finally, speakers will not be sworn in, but are reminded of the applicability of 18 U.S.C. 1001 with regard to false or misleading statements and to the fact that the record of this proceeding may be subject to Court review if there is an appeal.

Welcome, Mr. Straight, and your panel. Just to put on the record, normally we do five minutes opening statements by each side and then each side gets 60 minutes. You are the only party, so if you are okay, we'll just combine that 65 minutes and we won't stop after any opening statement. Is that okay?

MR. STRAIGHT: That's great. Thank you.

MS. DEFILIPPO: Perfect. Thank you. Welcome, and proceed when you're ready.

MR. STRAIGHT: Thank you. My name is Sam Straight. I'm an attorney Ray Quinney & Nebeker in Salt Lake City and represent the Petitioner, Utah Refractories here. I want to first thank the Commission and all of you for your effort and your work on this petition, and we appreciate your time here today to give us an opportunity to talk about what our important issues for Utah Refractories and this industry in the United States.

I have with me today, and I just want to

introduce everyone as they may make some comments as the day goes through, to my far right is Dennis Williams. He's the Vice President and co-owner of Utah Refractories. Next to him is Ray Worthen. He's the President and also a co-owner of Utah Refractories. Next to me is my law partner, Zach Wiseman, who's an attorney at Ray Quinney with me. Then to my left is Tom Mulholland who is the Director of Sales for Utah Refractories.

We all felt that this opportunity and this conference was important enough that we all came, and we want to make sure we answer whatever questions the Commission may have and try to explain the primary reason that we're here and that we filed this petition is Utah Refractories has already suffered significant injury because of dumped imports of silica brick from China and there is a serious threat to Utah Refractories' existence as a business from the ongoing dumping of these bricks from China, bricks and shapes, so we're here to try to implore the Commission to help us have a remedy to those problems.

Today, just to give you an outline of what we would like to address, we'd like to first start and just give you a little bit of history and background about Utah Refractories so you understand what the

company is, where it came from, why it's based in Utah, of all places, some of those historical facts that I think will help put this in perspective, and Mr. Wiseman's going to talk about that.

Then a background. We understand that the Commission is familiar with the refractor industry from the magnesia brick case so we don't want to replow a lot of ground, but at least give some background about the refractory industry and why silica bricks are different and a special product unto themselves within that refractory industry. Zach will also talk about that.

Then I want to talk about how we got here and why our clients in this particular way ended up filing this petition, and then talk in more specific terms without repeating everything in the petition, but to try to go through the specific injury that we felt and are threatened with that we've outlined in the petition.

So, with that, unless you have questions now, I'd just go to Zach and let him give us some background.

MR. WISEMAN: Zach Wiseman, again, with Ray Quinney & Nebeker on behalf of Petitioner. I'm excited today because after weeks of compiling a lot

of what to me is really tedious financial information I get to tell sort of the story of Utah Refractories, which is a great story. It's a great real American success story.

Seated to my right, as Sam mentioned, is Ray Worthen and Dennis Williams, the co-owners and President and Vice President, respectively, of Utah Refractories. They both come from the area where Utah Refractories is located, in Utah County, Utah, and have a long history there.

Mr. Worthen started working at Utah Refractories, what was, it was Utah Refractories at the time, but at that plant in high school part-time, and ultimately, after a couple of years of college, accepted a full-time position there and has been there ever since. Mr. Williams ran a trucking company that shipped the products that were made at the predecessor of Utah Refractories from the plant for years and years. So they have a long history there, and in that community, the families all have a long history there. There are generations of families that have worked at Utah Refractories since World War II and have connections to that company and that plant that go back several generations.

The plant there has an important part not

only in Utah history, but in American history. It was government built and owned as an inland World War II national defense plant, designed to service the U.S. steel manufacturing process that was so important during the war years. There was also a steel plant right down the street called Geneva Steel, also a part of that inland defense plan for the war.

After those critical war years, the plant continued to operate and was ultimately privatized and switched hands several times in that process. Over time, the refractories industry, as you may well know, became incredibly consolidated and by 1998 there were really only two plants remaining in operation that were producing silica-based refractories. There was a plant in Howell, Maryland that was owned by Harbison Walker, and then A.P. Green owned the plant in Lehi, Utah that is now Utah Refractories Corporation.

In that same time, in 1998, Harbison Walker was in the process of purchasing, acquiring A.P. Green. I'm not sure if it was a merger or an acquisition, but they were combining their resources. In that year there was a decree from the Department of Justice mandating that Harbison Walker divest itself of one of those two remaining plants so there wouldn't be a monopoly. In that process, these two

gentlemen who had worked their way up from, you know, a high school job and a trucking job jumped in and purchased the plant and have owned it ever since as Utah Refractories Corporation.

So it's an interesting thing to go out there and see these connections that these folks have to the people who work there, the community, and these connections that go back generations. It's a proud place and a lot of proud workers have been there for a long time.

These two took advantage of the unique opportunity that they had before them and have tried their best to run this plant and do a good job with it and produce the best product that they can. They're lucky because Utah Refractories owns a quartzite mine very near the plant that produces some of the purest silica rock known in the world which allows them to produce a very high quality product.

Unfortunately, shortly after they got involved in this industry and purchased the plant that is now Utah Refractories, the other plant in Howell, Maryland went out of business and Utah Refractories remained the sole producer of silica-based refractories in the United States of America.

Let me talk a little about refractory brick.

It's really a remarkable product, in part because it's remarkably simple. These silica-based refractory bricks that we refer to as SRB contain, or are comprised, of at least 90 percent silicone dioxide. Ours are even much, much higher than that, actually, but that's sort of the baseline. Or silica. Silicone dioxide or silica. It's found, as I said, in this quartzite rock, and we, Utah Refractories, happens to have a mine that's full of very, very pure silica rock.

The primary applications for SRB are coke ovens and glass melting furnaces. SRB maintained volume stability and load bearing capacity at temperatures up to their melting point of approximately 3,000 degrees. They're also resistant to most fluxes present in coke ovens. Moreover, even in continuous operations, SRB are practically free from thermal spalling, which is the flaking or chipping that can occur when these refractories are heated to such high temperatures.

Without the volume stability and anti spalling qualities of SRB, these coke oven walls, which are massive, would likely fail, fall and collapse. Instead, the coke oven walls built with SRB may operate continuously for 20, or even up to 40

years on the very high end.

The volume stability, compressive strength and relative light weight of SRB also make them ideal for use in the sprung arch crowns at the top of glass furnaces. In addition, SRB helped minimize the potential for glass defects due to low degradation. Moreover, because of the purity of SRB and the high percentage of silica, any degradation, any minimal degradation that does occur does not affect the opacity of the glass because of the purity of that silica that's in the rock, so it makes it ideal for the top of those glass ovens where some degradation may occur.

Finally, in addition to the quality stated above, one of the things that make SRB so attractive in the refractory industry, as you all know, is they're very low cost, they're fairly easy to make, the product, the raw material, rather, is abundant and the coke oven batteries and the industry applications are able to purchase large quantities of SRB at a fraction of the cost of other similar type refractories.

So that's sort of a history of Utah Refractories and the product. Again, thank you for hearing us today.

MR. STRAIGHT: I'm going to ask Zach, if he would, to hand out to all of you some letters that give you a little bit of a background of why we ended up here and why we filed the petition.

Zach, actually, can I have one of those before you walk away?

Back in November of 2010, these three gentlemen sent letters to Sen. Orrin Hatch, to the U.S. Trade Representative, and they outlined a lot of the same kind of contentions that we've put in the petition in this case, saying we need some help from our government to handle this importation of extremely low priced silica brick from China that we simply can't compete against.

What we've included in this packet is the cover letter, or the original letter that these gentlemen sent, including a press release from a Chinese refractory announcing its, you know, expansion and extended manufacturing capacity, then responses from Sen. Hatch and from the USTR who all, in essence, said to Utah Refractories, well, we really can't help you, you're going to need to file a petition, and there's a way to get relief from what you believe are these dumped imports, and the way to do that is through filing an antidumping petition. So that's

what we've done.

We took the time to go through and try to very carefully analyze the factors that are relevant both to the Department of Commerce, as well as to the Commission, and put together a petition. Again, not being frequent fliers of the antidumping process, we took the time and spent the effort and expense to put together that petition and filed it. The primary reason that we're here today is because of the injury that we've suffered already and the very serious threat of injury that Utah Refractories will cease operations altogether. I'm going to go through what those factors are.

First of all, as Zach mentioned, and when we're talking about kind of the domestic like product of these bricks and shapes that contain more than 90 percent silica, this is a product that is really a product unto itself. There are a whole variety of refractories, and in our petition we included a copy of this nice refractories, it's from the Refractories Institute, which is a trade group, that kind of describes the different uses.

As Zach mentioned, you can't use, for example, a magnesia carbon brick in the same applications that you can use one of these high purity

silica bricks that Utah Refractories makes. They're different applications.

Yes, they go in high heat coke ovens, glass furnaces, steel ladles, et cetera, but the silica bricks have specific properties and specific characteristics that allow them to be especially applicable in glass furnaces and in coke ovens, as we've already explained. That makes them really a product unto themselves and customers view them that way. If a customer says I need silica brick, everyone knows what you're talking about. It is this brick, 90 plus percent pure silica, for use in these very specific applications.

In going back and forth with the Department of Commerce on the scope we just did recently file an amended scope, and we filed it also with the Commission, but trying to make sure we're all clear on what the product is that we're talking about.

We said in that amended scope that the products covered by the investigation are bricks and shapes, regardless of size, containing at least 90 percent silica, which is also known as silica dioxide, regardless of other materials in the bricks and shapes, and then provided the HTS numbers that typically these products are entered, and it's

6902.20.1020, 6902.20.5020, and there may also be some under 6901. all zeroes. So we've tried to clarify and make sure that we're clear this is one product that all customers recognize and understand, and that it is not interchangeable with other refractory products.

Now, that being said, Utah Refractories' product and the Chinese silica brick that we're talking about is almost 100 percent interchangeable, so the imports that are coming in of Chinese silica brick are destined for the exact same applications, the exact same customers, that the Utah Refractories' silica brick is used in and has been used in for years and years.

As I mentioned, those are primarily end user customers in the glass making industry and the steel making industry. The coke ovens are obviously used in steel, and I know the Commission has a lot of experience with steel.

The manufacturing process for both of these products, whether it's made in China, whether it's made in Mexico, whether it's made in Ukraine, or whether it's made in the United States, is very similar. You crush silica rock, you put it into a mold, you shape that mold and then you fire it in a kiln. Once the products are properly cooked in the

kiln, for lack of a better word, then you are able to deliver them to the customer. So regardless of where you are, that manufacturing process is going to be very similar.

As we mentioned, Utah Refractories, and Zach went through the history, is the sole remaining producer of this product in the United States. We've asked and asked, and we've checked. We are not aware of any other manufacturer of this product in the United States. So when we're talking about injury to Utah Refractories, we're talking about injury to the entire industry. If Utah Refractories goes out of business, there will no longer be a silica refractory brick industry in the United States. It won't exist anymore because there won't be another plant.

As I think we put in the petition, it's very cost-prohibitive to build one of these plants. So our plant was built in World War II Era. A lot of money was invested in building Geneva Steel. It was a war effort time to build another one of these silica refractory plants. We think it's highly unlikely that someone else will do that, especially given the imports and the low cost imports that are coming in.

I know that the Commission and all of you are fully aware of the standard, but the injury

standard is just harm that is not inconsequential, immaterial or unimportant. We submit our harm is very consequential, very material and it's critically important to the existence of our business.

As we've tried to set forth in our petition and in response to the Commission's questionnaire, the imports from China are, without question, the cause of why Utah Refractories has suffered, has lost its business almost entirely to the steel industry and is in a real threat of losing its business to the glass making industry. Let me explain why that is.

First of all, we know through looking at the import data, and as we've put in our petition, that the Chinese imports are about 49.5 percent as of 2011 of total imports of this kind of product. I mean it's a huge percentage of total imports, well above any threshold that I think is relevant or material in the case. Also, knowing what we know, and this is business proprietary so I don't want to get into too much detail, but knowing what we know about Utah Refractories, we can also say that the Chinese apparent consumption or the U.S. apparent consumption of the Chinese imports is also very high, and we've set forth in the petition.

The prices that are being quoted and the

prices that are being sold of this Chinese brick to U.S. consumers are so far below our prices, as to be suspect on their face. They're so far below our cost of production they are impossible, frankly, for a company like Utah Refractories to compete against because they're so much lower than any price we could possibly sustain.

Also, as we set forth in the petition, China has a vast capacity, and they tout that capacity, there are press releases about that capacity. Everyone, or not everyone, many of the quotes we got talked about the capacity and their ability to generate more and more silica brick almost at will. That capacity is thousands of times greater than Utah Refractories' capacity.

But when we consider Utah Refractories' capacity, it's operating well below the capacity it could. If it were not fighting dumped imports that it can't compete against, it could certainly increase its capacity significantly and sell more brick, make more brick to customers if it had a fair level playing field on which it were competing, which right now it's not.

Also, and we, again, put this in the petition, and without rehashing all of it, we have had

specific conversations with, and by we, I mean my clients, with customers saying, look, we're making these decisions on price and you guys can't compete on price and the prices are prices of Chinese brick. We have lost sales from specific customers, or two specific customers, based on that price quote that we just simply can't come close to.

So we know in the coke oven, which is really steel industry, and we set this forth in detail in the petition, we had one repair project for U.S. Steel that we completed. That was a one time only and it was because some imported Chinese brick had failed. U.S. Steel had us come in, sell them some silica brick to replace and fix that. But it was very clear that was a one time deal. But for that one repair project, our coke oven steel industry business is gone. We don't have sales to the steel industry anymore. We had that one in recent times.

Now, if you look at our chart, and I'm going to hand, ask Zach if he would hand this out, I think this kind of illustrates, and it's in the petition but we thought it would be helpful to have here today, illustrates where we've gone on steel and where we're headed on glass unless the Commission and the Department act to help Utah Refractories. Let me just

let Zach hand that out.

So if you look at these graphs, what they're showing, obviously, is, first, our domestic sales to steel producers, then to glass producers, and then combined. Very important, and we included this asterisk because we don't want to be misleading at all, these shipments are net of the sales to the one repair project that we have excluded because it was a one time project and we don't expect it to recur. You can see from 2005 through now that our sales to the steel industry have all but vanished.

With respect to the glass industry, we have been fortunate in that we were able to shift some of our sales that we would otherwise have made to the steel industry, we've been able to shift those to the glass industry. As you see from this chart, when you look at this graph over time, the glass industry sales are also reducing, and, in fact, all of our sales are reducing, and here is the critical concern. We've suffered injury on the steel industry business. It's gone.

On the glass industry business, as Chinese importers and manufacturers figure out and correct any problems they have with their brick and get the entree into the glass manufacturers, we have a serious fear

and concern that the graph you're seeing at the very top on steel will look exactly the same for glass in a very short time.

The Chinese producers have the capacity, they are actively working to make sure they can satisfy customer needs and they have pricing that we can never, ever match. With that combination, the threat of material injury is extreme. Once the glass industry business goes, our business goes because we don't have another application to shift to as we did when we pivoted from steel over to glass, and that's the real concern that we're today, to try to prevent that outcome.

I think one area that will help illustrate this and our significant harm is the number of hours worked at Utah Refractories. We've put the specific numbers in the petition, and I'm not going to go through those here because they're proprietary, but I will give you the percentages. From 2005 to 2011, the number of hours worked decreased by 67 percent if you exclude the repair project, but even including the repair project, they decrease by 38 percent.

As I mentioned, we're operating nowhere near capacity. We could certainly increase the number of shifts, the number of hours worked and produce a

greater number of bricks if we had a fair playing field and a market into which we could sell them.

As I mentioned, and I want to reiterate because I think it's important and I know there isn't a kind of you don't have to eliminate all causes, but I know causation is important, we've had conversations, and again, when I say we, I mean my clients, have had conversations with purchasing agents, with consumers, who have told them you, in essence, are not competing on price and that's why you're going to lose this sale. So when we know that the reason the sales are being lost is because of the cheap prices of the dumped imports, I think that gives you more than enough information on causation to know that the injury is caused by these dumped imports.

The last thing I really wanted to say, and then we want to answer whatever questions the Commission might have, based on everything we've put in our petition, in our questionnaire response, and everything we've said today, we submit that imports of Chinese silica refractory brick have caused, and threaten to cause, material injury to the entire SRB industry in the United States, and the real threat is that that industry will be driven out of business altogether and that Utah Refractories will no longer

be able to continue operations.

We are here. We're a small company. We're from Utah. We're not people who go through this process all the time, but we were told by our representatives, we were told by a lot of people this is the place we need to come for relief, so we're here asking you, and again, appreciate all your hard work and effort, and asking you to give us relief. Thank you.

MS. DEFILIPPO: Thank you, Mr. Straight. A couple of quick housekeeping items before we turn to staff questions. For the two documents that you gave to us, I presume this is public since there's no numbers. I noticed that.

MR. STRAIGHT: It is public.

MS. DEFILIPPO: Do you want me to include these as exhibits and they'll go in the transcript? That's normally what would be done.

MR. STRAIGHT: Sure. That would be great.

MS. DEFILIPPO: Okay. With that, before I turn to staff, I did want to say thank you very much to Mr. Williams and Mr. Worthen for coming, and you guys, also, from Utah. I know that is a long trip. Probably you get the award for the furthest travel this year for a preliminary conference. So I thank

you very much. I know it is hard to get away from your business, but it is very helpful for us to have the opportunity to ask questions to better understand the industry. I will first turn to Ms. Messer for questions.

MS. MESSER: Thank you. Mary Messer, Office of Investigations. First, I'd like to turn to certain items that have been brought to our attention and wanted to get your position concerning a clarification on whether or not these items are covered, in your viewpoint, in the scope of the investigation.

The first item is a fused silica item. It can be either cement bonded press shape or a kiln-fired cast shape. The cement bonded press shaped are typically used for the repair of hot coke ovens, the kiln-fired cast shapes are typically used in the titanium chlorinators or as an overcoat over the crown in a glass oven. The other item is a high purity silica crucible which is typically greater than 99 percent silica and it is used in the production of semiconductor wafers, solar panel chips and certain other research and development projects. So if you will please let us know what your viewpoint is on whether or not these items are included in the scope.

MR. STRAIGHT: Ms. Messer, let me also say,

and Ms. DeFilippo, I didn't, I meant to give my clients an opportunity to say anything they want, and also, on some of these questions I think they may be even better suited, and if that's okay with the Commission --

MS. DEFILIPPO: Absolutely.

MR. STRAIGHT: -- we'd be glad to have them answer. I think I know the answers, but if one of you guys want to -- Tom, you want to?

MR. MULHOLLAND: I'm Tom Mulholland with Utah Refractories. I worked in sales. I'm an employee of Utah Refractories. To the best of my knowledge, fused silica is a little bit of a different product than the product we make. There are applications in the glass industry, but by size and volume, they tend to be small.

Fused silica is used to repair, for example, a hole in a crown made of our bricks. The characteristics of fused silica are such that it has very good thermal shock resistance. You can put it into a hot application and it will survive and patch the furnace. You can't do that with our bricks. You have to heat them up very slowly. So there are a few little applications within glass for fused silica. Is it a competitive product to ours? No. It compliments

our products.

In the coke oven industry, to the best of my knowledge, some of the coke producers will re-engineer their furnace, their battery itself. The old coke oven batteries traditionally had 500 to 600 different shapes on average, so you can imagine a bill of materials, and they still construct batteries today with that number of shapes. Over time, when these batteries need repair, it becomes a challenge sometimes for our customers to find the bricks so they will have large blocks made and they re-engineer the shapes. Those are made out of that fused-type material, fused silica. It's very different than ours.

On the chlorinators, to the best of my knowledge, I'm not a refractories expert, I have a working knowledge of it, the amount of iron that we add to our products would probably make it prohibitive to use our type of product in a chlorinator.

MR. STRAIGHT: And so what I was going to say kind of, and I appreciate that, Tom, we don't believe that those are like product, we don't believe they should be covered. We can put some more clarification in our postconference brief, if that's helpful. But, you know, we think those are separate

and apart for the reasons Tom explained. Also, I understand the cost is dramatically different on those products versus ours.

MS. MESSER: Right, and that includes, you mentioned the fused silica, but also the silico crucibles for use in the semiconductors?

MR. MULHOLLAND: That's just a totally different application.

MS. MESSER: Okay. Also, you will need to contact Commerce, I'm sure you're aware, as soon as possible. Now, after your testimony, Mr. Mulholland, I assume then that Utah Refractories does not produce either one of these products.

MR. MULHOLLAND: That is correct.

MS. MESSER: Are you aware of any production in the United States of these products?

MR. MULHOLLAND: To the best of my knowledge, I believe the products are being made by ANH Refractories, another company in Bessemer, Alabama called Special Shapes Refractories. I believe they purchase a mix from ANH and make similar type fused silica products. So they would buy the raw material or the prepackaged mix and make form shapes out of it. There are other companies that service the coke industry that make these shapes as well.

MS. MESSER: Do these other firms also produce the product, the silica bricks that you produce?

MR. MULHOLLAND: No, they do not, to the best of my knowledge.

MS. MESSER: Okay. The production process then, I assume, is totally different?

MR. MULHOLLAND: It's my understanding that there is some type of a tempering or a heating process for the fused silica. I don't believe it's fired to our, as high a temperature as ours, but I may stand corrected on that.

MS. MESSER: Okay. What about prices? The prices. Can you compare the prices between the bricks that you produce and these other types of items?

MR. MULHOLLAND: Fused silica compared to our product is much more expensive.

MS. MESSER: Okay. Are you aware of any other items that, any other types of silica bricks or shapes that contain 90 percent or more that similarly would not, in your viewpoint, be included in the scope? Are there any other items out there that we're not aware?

MR. STRAIGHT: Again, if I -- I think the question is, so we've just talked about this fused

silica that we don't think is comparable to our product. Are there any others out there that might be a silica at 90 percent plus but isn't the silica brick we're talking about in this case?

MR. MULHOLLAND: To the best of my knowledge, no.

MS. MESSER: Okay. Can you please then restate your position on what the Commission could consider, should consider as the definition of the domestic like product -- this might be for you, Mr. Straight -- and indicate whether or not these items that I've listed, these three, the two types of fused silica and the high purity silica crucibles, whether or not they should be part of the Commission's definition of domestic like product.

MR. STRAIGHT: If it's acceptable, what I think would be probably the wisest course for us would be to put that in the postconference brief so that we get it very clear, but I can tell you in response to your question we don't believe that those items, the fused silica that you mentioned today and the high purity crucible, should be included, it's just a question of making sure we get the language right that I don't want to kind of do on the fly.

MS. MESSER: Okay. Thank you. I want to go

back to a real quick question on the other companies that produce these products. You indicated in your testimony earlier that it's rather expensive to build a plant. Would it be expensive, similarly, to convert one of these other producers' plants that produce these other types of silica bricks to produce the type that your plant produces?

MR. WORTHEN: Ray WORTHEN, President, co-owner of Utah Refractories. Yes, it would be very expensive.

MS. MESSER: Okay. All right. I'm going to move on. In your petition you state that the Petitioner is the sole remaining domestic producer in the United States. You indicated in your testimony that there was one other, Harbison Walker. Were there any other? Those were the only two domestic producers? That's correct? I just want to make sure I got that right.

MR. WORTHEN: That is correct.

MR. WISEMAN: And that one's as of 1998. There were other companies that may have owned the plant prior to that, but the last time there was more than one producer, us, it was those two, and that was 1998.

MS. MESSER: I apologize if I missed this

but can you tell me why that company went out of business?

MR. WISEMAN: Yes. I don't think we are comfortable with the specific reasons why they did.

MS. MESSER: Okay. All right. Moving on, I wanted to talk about inventories. Is this an industry in the United States and elsewhere where inventories are kept, and why, or why not, and is this the same practice in China or in other nonsubject countries?

MR. WISEMAN: Yes. This is not, at least for us, an industry where we have a high inventory level because these projects are done on a project by project basis. One of the reasons is the various very specific shapes that may be required for a particular project, and the other is the volume of the product, you know, it would be hard for us to just keep massive amounts of volume, and then the cost. These projects are usually accomplished on a per order basis. The project comes in, we make the project, we ship it out.

I don't know, you know, we can't speak for China, how they do it, but it would be surprising if that were the case, again, given the very specific nature of many of the orders and the various types of bricks that are used. As was said earlier, some of these projects may have hundreds of different types of

shapes for a particular project, so it could be difficult to keep that kind of inventory for such a diverse number of customers with such a diverse number of molds.

MS. MESSER: Is there a standard shape that --

MR. WISEMAN: We put this in the petition. There are standard series. Like I think we included in the petition some information regarding a nine inch series. But even in a series, you understand that there will be corner pieces, arches, crowns, key stones.

In a series there are a number of different shapes and so those are somewhat standard, but then you'll have different widths to those series, and so I think we've listed four examples of standard series and in that four series there are, you know, a dozen or more different, well, more than that, dozens of shapes, and then they come in different widths as well. So, you know, even if you were to go with standard series, it would be impractical, I would say, to keep inventories on hand.

MS. MESSER: Okay. All right.

MR. WISEMAN: Just to add. I'm sorry. My client just informs me there are 30,000 different

shapes that they manufacture at Utah Refractories, just to give you an idea.

MS. MESSER: Okay. All right. That makes sense then. Okay. Moving on, can you please describe the trend in U.S. consumption in the United States from 2009 to the present, and in your explanation, can you please explain what drives the demand.

MR. STRAIGHT: I can start, but I think these guys may be better to describe it. Consumption, as Zach has pointed out and as we've talked about today, is driven on a project basis, so as a customer either needs to repair a glass furnace, or build a new battery, or et cetera, you will have some spikes in consumption based on those specific requirements.

When you look at it kind of as a trend line, I don't think that we've seen any kind of overall decline in consumption or in demand, and I want these guys to talk about that in more detail. There are some, you know, peaks and valleys, but when you look at it over time, I don't think that we've seen any kind of wild swing or cycle that would suggest that demand has somehow dropped off in the United States generally. I want you guys to talk about that. Tom?

MR. MULHOLLAND: Looking at the domestic industry, we'll look at glass first, you can run a

furnace so long and it's almost a waiting game. A lot of the competitors in the industry will wait and see what their competition's going to do when they bring a furnace on. So there's perhaps a potential to secure more business.

So within the glass industry there's so many furnaces. They have built new ones, they've closed some plants, but I'd say the overall available market is fairly constant in terms of silica brick. We saw some applications where there were exotic product, not exotic products, but fused cast refractories being considered for oxygen fuel furnaces; however, over the years we've demonstrated, successfully, that silica brick can be used in this application and we've served that market as well. So as the glass industry advances in melting technologies, our products have kept pace with them.

Within the coke industry we have seen a number of plants close due to environmental regulations and the cost of compliance. However, at the same time, we've also seen new coke plants being built in the United States. So I'd say that available market perhaps has increased a little bit for silica brick.

MS. MESSER: Okay. When you're talking

about the glass industry, you're talking about all types of glass or any particular of? Are you talking Coke bottles or --

MR. MULHOLLAND: I'd say in general terms we look at the glass industry as flat glass, which would be glass for architectural applications and automotive glass, windshields and the like. Those furnaces tend to be very large and run, I'm guessing, 12 to 18 years on their cycles and then they're brought down and repaired.

Then another segment of that industry would be the container industry: bottles, jars, wine bottles, beer bottles. Consumption of those products has been perhaps increasing because of trying to be green. People want to use recycled materials, glass is readily recyclable. So we've seen some plants close and we've seen some plants open in that industry, but I'd say that's been fairly constant.

There's a smaller type of segment of that industry that serves artists. They make glass for stained glass, special rods that they could sell to artists to make products and that. There are those little niches. That's a very small segment of our business, but we do sell products to them. There's fiberglass. We sell some silica brick to the

fiberglass producers as well. There was another segment I would call pressed and blown. That would be the light bulbs, the General Electrics and that. We've seen that go down for the incandescent bulbs, but we're still selling product to the plants that manufacture fluorescent tubes.

MS. MESSER: Thank you. I appreciate that explanation. That was very helpful.

MR. MULHOLLAND: You're welcome.

MS. MESSER: I'd like to move on quickly to the import data that we have. I know you had mentioned that China represented, what did you say, 49 percent of the import stat?

MR. STRAIGHT: 2011.

MS. MESSER: That was for the HTS No. 6902?

MR. STRAIGHT: Yes.

MS. MESSER: Okay. I understand that that's an other brick category subheading that covers certain refractory bricks, blocks, tiles, similar refractory ceramic constructional goods containing, by weight, more than 50 percent of alumina or silica, or a mixture of the two. So that's clearly a broader category than what the subject merchandise is. What are other products in that category, and what are their uses? How much of this category is the subject

merchandise, and how much is not?

MR. STRAIGHT: In the discussions with the Commerce Department, they also thought that we ought to add this other HTS Code No. 2, and you're right, it's not a unique only silica brick comes in under that number. But I'm going to turn to you all and see if, you know, do you have a sense of what else comes in under that number?

MR. MULHOLLAND: No. No. I'm sorry, I don't.

MR. STRAIGHT: It's very hard for us to determine and we

MR. WORTHEN: You may get some high alumina or some clay products that come in under that number. They all contain certain amounts of silica, generally in the 40 to 60 percent range.

MS. MESSER: What are uses for those?

MR. WORTHEN: More on the steel application.

MS. MESSER: Okay. All right. These additional HTS numbers, the 6902.20.5020 and the 6901 number, are those also baskets, and do you know how much, whether or not a significant amount is the subject or if that's another other category that's --

MR. STRAIGHT: It's another other category, and again, I think -- yeah, another other -- the issue

at Commerce was just, you know, the concern that there were things coming in under different numbers that would certainly be subject merchandise, but there's no question that it is difficult to parse out what else may be in there.

MS. MESSER: Okay. Do you have an idea as to how much of this -- it seems primarily it's the 6902.20.1020 number.

MR. STRAIGHT: That's right.

MS. MESSER: Do you have any idea whether or not the subject merchandise is a substantial amount or is a tiny amount?

MR. STRAIGHT: I don't think we think it's a tiny amount. Given the question, I think what we can try to do for our postconference brief is see if we can dig into that more and try to provide you some more detail on that.

MS. MESSER: That would be very helpful.

MR. STRAIGHT: Yes. We can do that for sure.

MS. MESSER: Okay. As far as other importers, who do you consider to be your firm's primary competitors when it comes to imports of the Chinese product?

MR. MULHOLLAND: I'm trying to understand

your question, please.

MS. MESSER: What other firms -- when you go out to compete for a bid on a project or try to sell a customer or something, who do you view as your main competitor?

MR. MULHOLLAND: Within the steel group for coke ovens, main competitor would be product from China.

MS. MESSER: Any company names in specific that you can reveal or not, or you can put in a brief?

MR. MULHOLLAND: They seem to change.

MS. MESSER: Okay.

MR. MULHOLLAND: So there seem to be probably 10 companies and the names change. Sometimes it's difficult to even write the names. You hear them phonetically. Do I have a list? No. Within the glass industry, again, the competition price-wise is from China. We do compete against European quality producers, and we've done, we've competed successfully against them.

MS. MESSER: European? Any countries in particular?

MR. MULHOLLAND: I would say the Czech Republic, we compete against them, we compete against two plants in Germany and one plant in Belgium.

MS. MESSER: Okay. Do you know the names of those plants? If you don't know them off the top of your head, if you could provide them in a postconference brief.

MR. MULHOLLAND: The plant in Belgium has been called BELREF, but I believe their name now is called Ipratec. In Germany the company is RHI. There's a plant in Mittels-Bollendorf that makes silica brick. Then there's another plant in Germany under a company called PD Group and they have another owned operation in the Czech Republic that's referred to as MSLZ. The other German company Dr. C. Otto.

MS. MESSER: Are there any other companies outside of Europe that you're seeing here, in the United States?

MR. MULHOLLAND: I believe there's silica production in Poland, I believe there's a plant in Ukraine, there has to be producers in Russia, but we have not seen their products here.

MS. MESSER: Okay. What are the similarities and differences with these nonsubject products? You indicated there were high quality products from Europe. Is there anything different about -- are there different applications, different price levels, quality, whatever?

MR. STRAIGHT: So to be clear, just, Tom, when you're answering the question, we're drawing the distinction between silica brick that's interchangeable with yours versus what Ms. Messer referred to as nonsubject, which would be other kinds of products that wouldn't be --

MS. MESSER: No, no, no.

MR. STRAIGHT: Is it wrong?

MS. MESSER: The same type of silica brick that would compete with your product here, in the United States, that's not Chinese.

MR. STRAIGHT: Got it. Okay. So does that make sense?

MR. MULHOLLAND: Repeat again, please.

MR. STRAIGHT: Yes.

MS. MESSER: Do you go up against any of these German or Czech producers that you mentioned here for the same silica brick? Are those products that they bring into the United States, are they different in, you know, quality, in application, in price?

MR. MULHOLLAND: I would say they are comparable, but not as good as our product. When we look at the different grades available and, for example, denser silica brick, a purer silica brick,

fine tuning it to the application, they have comparable grades to ours.

MS. MESSER: Can you compare them then with the Chinese product?

MR. MULHOLLAND: The Europeans? I would not venture to do that.

MS. MESSER: Okay. This is the last subject and I promise I'll let, I'll shut up and let everyone else talk. We have very little information on the record about the Chinese industry and I'm interested in knowing if you guys know anything about the structure of the industry. How many producers are there, the level of production, their export orientation or whether or not they sell in their home market primarily, are they large producers, are they small producers? Anything that you can share with us, we'd appreciate.

MR. STRAIGHT: We'll certainly put some more in the postconference brief, but let me talk about that briefly. It's difficult to pierce, candidly, and what we've seen are, like we handed out in the exhibit, announcements of increased production and increased capacity.

When we reached out for quotes, you know, touting the kind of capacity they have, they can meet

any need, we've sold to the U.S., Europe, et cetera. But in terms of getting in past that kind of, yes, we've got a lot of silica brick and we can sell it all to you whenever you need it at a low price, it's harder to understand exactly, for example, are the refractories all integrated over there, do you have a plant that's making silica, magnesia and three other kinds of refractory bricks? Harder for us to determine that.

Now, we tried and we'll give it another, you know, effort to try to figure that out, but it's been as difficult for us as I think it is for you to understand exactly. Now, what I will say is there's no question that there is an export orientation just from what we've seen coming into the U.S., the competition we've seen. There's at least some export orientation. Beyond saying that generally, it's very hard for us to say. Anything else, guys, on that?

MS. MESSER: And whether or not there's a demand for that in China, their product? Do you have any insight on that?

MR. MULHOLLAND: I would say absolutely there is a demand in China. The steel industry in the United States, let's say 100 million tons a year production. I believe China is 550, 600 million tons

a year. You need refractories to service that industry, you need coke. So I'd say, as a rule of thumb, yes, there is a significant demand in China for those products.

We have, in fact, shipped our brick to China as they built new glass plants. They wanted quality products. We sent our products over to China through an engineering company in the United States. There is a growing glass industry over the last few years in China where they're producing more and more flat glass plants.

MS. MESSER: Can you give me an idea as to who the largest Chinese producers are? Is any one producer related to an importer that keeps coming up in --

MR. STRAIGHT: Well, and honestly, we, and our consultant that helped us put some of this together, he would look and look and, as Tom said, sometimes the names would change. It was very difficult to tell are these entities, all three, related to each other or is it just a name coincidence? Very difficult for us to kind of pierce that.

I think we could, though, based on, you know, I've look at a lot of it myself, we could at

least try to come up with here's our best estimation. I mean we can't, we don't know, but we can, from what we see and what we have seen, we can at least put some more of that in the posthearing brief.

MS. MESSER: That would be great. I'd appreciate that. I'm done.

MS. DEFILIPPO: Thank you, Ms. Messer. We'll turn to our dueling economists, Ms. Day and Ms. Larsen. I'll let you decide who's asking what.

MS. LARSEN: Has that percentage be stable or is it growing or is shifting at all in the last three or four years?

MR. MULHOLLAND: We have lost some business in the electric arc furnace application. I suspect we lost that business to Chinese producers.

MS. LARSEN: And this question can be completely naive, but is there any kind of interchangeability between the silica bricks that are produced for the coke furnaces with the glass furnaces?

MR. MULHOLLAND: Interchangeability in what respect?

MS. LARSEN: Can you use bricks that were made for a coke furnace in a glass furnace application at all?

MR. MULHOLLAND: I would say probably not. You could, but you probably would not achieve the results you want in terms of longevity. For example, the glass industry requires a pure product. They don't want a lot of alumina, for example, in the brick. We will add alumina to our coke oven bricks to increase the thermal shock resistance. So you would use a coke oven type brick in a glass application, but I don't think the results would be optimal.

MS. LARSEN: Okay. And how interchangeable are either the coke or glass bricks with these minor applications?

MR. MULHOLLAND: Coke bricks for the electric arc furnace are very similar. Tunnel kilns, I'm trying to remember what we produced for the last tunnel kiln. Was it Grafco? It was an industrial grade that was similar to the coke oven grade.

MS. LARSEN: What I'm trying to understand is how you and your customers with the relationships like so, a customer will come to you with a bid -- a project and then either multiple bids. What's the process when you guys sell these bricks?

MR. MULHOLLAND: Typically, we'll learn of a potential project from a customer. They will request a formal quotation. We'll review the bill of

materials. If we have questions, we will go back to them, whether we go back to the purchasing manager or interface with engineering. Sometimes it's a little of each. I would say at that point the customer would review our offer against our competitors and make a decision.

MS. LARSEN: And you mentioned there's like 30,000 molds out there. Are you designing these furnaces? Or they tell you, we want this, these are the shapes and the size of the furnace that we need and then you create that?

MR. MULHOLLAND: Our customers come to us with, in some cases, a drawing of a furnace. And on the drawing there will be a bill of materials, so many of this shape, so many of this shape, and they have made that decision --

MS. LARSEN: Okay.

MR. MULHOLLAND: -- this is what is needed to fill this bill of materials.

MS. LARSEN: And are you aware of how many -- what kind of bids are used? How many rounds of bidding do you usually do in these projects?

MR. MULHOLLAND: Sometimes there's only one round. Sometimes we have longer term purchase agreements with a customer where it's a formality of

putting the previously agreed to pricing in the respective bill of materials for that project and just doing some paperwork. Some customers do go back and forth, one, two, three times. They tend to be the exception though.

MS. LARSEN: Okay.

MR. MULHOLLAND: Usually there is so many different parts of the project that need to be considered, the labor, the schedule, other refractories, that the customers have an understanding of our products, they have an understanding of our competitors, and they look at the bids and they do business fairly quickly.

MS. LARSEN: Okay. Can you discuss what goes into a project requiring significant mold work? For example, like how is the pricing for the product determined? What is the production process? The clay? Can you reuse the molds again?

MR. MULHOLLAND: For example, in the glass industry, a lot of the molds are standard sizes. Sometimes we'll get a bill of materials that has been re-engineered to metric sizes and we will produce those molds to make the metric bricks. Some customers have a program to switch from standard U.S. sizing to metric sizing. On occasion, customers will improve

the design, the previous design of a furnace and some of the shapes change. Once again we will make molds to produce those products.

Likewise in the coke oven industry, sometimes on a repair, even if we have all the molds for a battery, there's fine tuning and constant improvement that's going on. And sometimes a redesign sections of the furnace and the shapes themselves. There again we will make molds for those products.

MR. STRAIGHT: Let me just add one thing that's anecdotally having been to the plant. I don't know what the number is, but there are thousands of molds down there, so that they can reuse molds over and over. And oftentimes even if it's a unique or custom size, it can be used again in another application. Is that right? Yeah. So you don't have to redesign molds every time for every project. It's usually a small piece of the project, is that right?

MR. MULHOLLAND: Yes. And on our bill of materials, we will show our product that we're producing and the corresponding prices on an individual piece basis. Then we will also show any ancillary charges for packaging molds, special cutting or forming of bricks. Those are broken out, so that a customer can compare let's say apples to apples.

Here's what it cost to buy this refractory product versus company A, B, or C.

MS. LARSEN: But a project is never turned down because the mold req is too specialized, is it?

MR. MULHOLLAND: Sometimes let's say for a very small bill of materials, somebody wants 400 different shapes within three to four months and we don't have 300-400 molds. The amount of work required for the return, it's not feasible at that point.

MS. LARSEN: Okay.

MR. STRAIGHT: But, Tom, would you say that's fairly rare?

MR. MULHOLLAND: That tends to be the exception.

MS. LARSEN: Okay. I'm going to actually turn it over to Samantha Day and let her ask a few.

MS. DAY: Hi. Samantha Day, Office of Economics. Thank you. I have a couple of questions to follow up on some of the things Ms. Larsen said. When your purchasers are considering purchasing silica bricks and shapes, what factors are important to them? What do they look for? What do they compare between say a domestic product and an imported product? Can you kind of tell me some of those factors?

MR. STRAIGHT: Go ahead, Dennis.

MR. WILLIAMS: It's maybe just a price issue, pricing issue when they originally supply us with a bill of materials.

MS. DAY: And are there other things like quality, maybe delivery time, or anything like that, do they consider things like that as well or is it mostly price?

MR. WILLIAMS: Well, delivery time and price I would say were the two key components.

MS. DAY: Okay. And another question on purchasers, are there any type of industry certifications that silica bricks and shapes producers have, like an ASTM or anything like that, and do purchasers look for those if they're required?

MR. WORTHEN: Yes, they do. It is an ASTM.

MS. DAY: And is that mostly applied to -- is that both steel and glass applications or --

MR. WORTHEN: Generally, yes.

MS. DAY: Okay. And is there any type of Buy America situation here where purchasers are looking to have any requirements to buy American-made products?

MR. WORTHEN: We don't see that that often. We wish.

MS. DAY: Moving on to another topic,

earlier you talked about magnesia bricks and they're not really a good substitute. And I know in the petition, it mentions how silica bricks are ideal for glass furnaces because the magnesia bricks can cause discoloring and things like that. Can you use magnesia bricks in a coke over application?

MR. MULHOLLAND: No.

MS. DAY: No. And also the other things that I've seen on the record and some of the questionnaire responses as substitutes, like aluminum bricks and they mention like a fused cast brick and then we talked about some of the fused bricks earlier and then mullite, are those very interchangeable with the silica bricks?

MR. MULHOLLAND: I'd say most applications, no. If you look at a fused cast brick, it is perhaps six to eight times the cost of our product. The product is much heavier. You have to reenforce the super structure of the furnace. Some customers will consider that, but they usually go back to silica brick. It's a cost effective solution within the glass industry.

And there was another part to your question too, I believe. Mullite?

MS. DAY: Yes, the mullite bricks.

MR. MULHOLLAND: Mullite has found applications in the fiberglass industry. However, recently we've begun to sell again to a domestic manufacturer of fiberglass. Several furnaces in the United States and several furnaces that have been exported, they've changed the composition of their fiberglass to where silica is now once again useful to them, and they've elected to move away from the mullite back to the silica for cost savings.

I'd say as a rule of thumb, mullite is perhaps -- mullite alumina, perhaps three times the cost of silica. And it is also heavier.

MS. DAY: Okay, thank you. I have a couple of questions about raw materials. And can you discuss expected trends in raw material costs and other input costs over the next one to two years?

MR. WORTHEN: Would you repeat that?

MS. DAY: Please discuss the expected trends in raw material costs and other input costs over the next one to two years.

MR. WORTHEN: Generally, raw materials jump up about one to three percent every year.

MS. DAY: And you expect that over the next couple of years?

MR. WORTHEN: Certainly, yes.

MS. DAY: And have you seen the same fluctuations since like 2009, the beginning of the period of investigation?

MR. WORTHEN: Yes.

MS. DAY: And earlier you mentioned the quartz mine that you have that source silica stone from. Industry, just typical industry, and you can provide this in your post-conference briefs, do you source a good bit of your silica from that mine or do you also purchase some? And if you do purchase any, is that typically a contract or is it spot sales?

MR. WORTHEN: Well, we don't sell it to anybody else, number one, and we just directly mine it for ourselves and then bringing it as we need it.

MR. STRAIGHT: And do you ever buy any from anyone else?

MR. WORTHEN: No.

MS. DAY: And going on to price, since 2009 there seemed to be some fluctuation in pricing in the U.S. market. What is driving the fluctuations?

MR. MULHOLLAND: Pricing in terms of?

MS. DAY: Sales pricing of the product.

MR. STRAIGHT: And just to be clear, are you talking about our pricing or pricing in the market generally?

MS. DAY: Market generally.

MR. MULHOLLAND: I'd say you have to look at the industry and the application.

MS. LARSEN: Is there a good way for us to tease out -- I mean especially since these are produced to order projects that are bid, we have price data that's all over the map. How would be a good way to tease out if there's underselling occurring when these projects are completely different project specifications?

MR. STRAIGHT: You know that may be one we need to think about a little bit and try to give you a better answer in the post-conference brief. Because I understand the question, it's just trying to give you some data you can work with. The problem is I think a lot of times we don't know all of the prices obviously that other people are bidding and the we're competing against. What we have uniformly heard is that the Chinese prices are a lot lower than ours.

MR. MULHOLLAND: I would -- well, I could add that some of our customers will state to me that your product is 40, 50, 60 percent higher than a Chinese product.

MS. LARSEN: If possible, could you maybe provide some of these emails of the RFQs that state

this the case, that the Chinese product is 40 to 60 times --

MR. MULHOLLAND: Sure.

MS. LARSEN: Thank you.

MR. STRAIGHT: And let me be clear, Tom, do you have any -- are those phone calls or are those -- do you have any of those in writing?

MR. MULHOLLAND: This is not in writing. This is in a negotiation with a customer.

MS. DAY: Is there a public source of price data for silica bricks, like an industry publication that maybe publishes prices, monthly, quarterly?

MR. MULHOLLAND: No.

MS. DAY: Okay. And then is there a price difference between the silica bricks that are used in coke oven applications versus those used in glass furnace applications?

MR. MULHOLLAND: Yes, there is.

MS. DAY: And how much of a difference, which one is higher?

MR. MULHOLLAND: The coke industry is higher with respect to Utah Refractories. We consider a number of factors when pricing our product. We look at the grade --

MR. STRAIGHT: And, Tom, if it gets too

sensitive, we can put that in the brief.

MR. MULHOLLAND: Sure.

MS. DAY: Yes. Okay, thank you.

MR. MULHOLLAND: Yes.

MS. DAY: Yes, please provide that in your briefs. And then there was a question in the questionnaire that asked about the cost share of the end-use product and how much of that cost of the end-use product is accounted for by silica bricks and shapes. And the record will show there's -- we kind of received a wide variety of responses to that question. And I'm trying to just understand and maybe is it because if you're looking at say a repair project versus building a new oven or furnace, would the cost share accounted for in each of those two different types of products be different? Like how much the silica bricks and shapes account for in the cost of each of those, would that differ?

MR. STRAIGHT: Could you help us, because I think everyone struggled with this question? When you say "cost share" for us sitting here, exactly what do you mean by that? So then I think we can answer the question better.

MS. DAY: Say for example your building an oven and you have multiple inputs that go into this

entire project. And then you have the cost of the entire project. Silica bricks and shapes are a part of that project and so they account for a portion of the total cost of that project. So the question was how much of that total cost is accounted for by silica bricks and shapes?

MR. STRAIGHT: If we know.

MR. MULHOLLAND: I'd say in general terms if you look at the refractory component of not a grain filled site, but let's say an oven rebuilding, the infrastructure is in place, typically the construction would be 80 percent silica, 20 percent fire clay as a rule of thumb. Then there's mortar. There's insulation. There's some ancillary products in that. But that's a good break.

I'd say a significant cost would be labor at that point for any customer, installing of the product, which would probably be more than the refractory costs.

MS. DAY: And if you're building a coke oven versus a glass oven, would the cost share of the silica bricks be different for those two projects?

MR. MULHOLLAND: I would say in a coke oven, it would be much, much higher. I would estimate for a typical glass container furnace, the portion of silica

would be five to seven percent of the overall cost of the project, if that helps.

MS. DAY: Yes, thank you. Okay, I think Amy and I are done. Thank you, very much.

MS. DEFILIPPO: Thank you, Ms. Larsen and Ms. Day. I'll now turn to our attorney, Mr. Sultan.

MR. SULTAN: My name is Peter Sultan. I'm with the Office of the General Counsel here. My first set of questions is going to go to the definition of the domestic-like product. As you know, the Commission doesn't always define the domestic-like product in exactly the same way as Congress defines the scope. And we have a six-factor test that we analytically go through in defining the like product and I'd like to just walk through those factors with you. And let me just be clear that if there are any questions which you prefer to answer in your post-conference brief, there's no reason why you shouldn't do that. So feel free to defer.

MR. STRAIGHT: And we may also clarify answers we give.

MR. SULTAN: That's fine too. So in the petition, it explained that SRBs are distinguished by their high volume stability, excellent load bearing characteristics, and their thermal conductivity. I

just want to be sure that I understand what that means. The high volume stability means that it's relatively free from flaking or chipping, right? Is that correct?

MR. MULHOLLAND: I'd say volume stability, my understanding would be when you heat up a vessel, a glass furnace or a coke oven prior to operation, the brick will keep its shape. It will not begin to slump. So if you look at a silica brick, by nature a silica brick once it's heated up will hold its properties almost to the point of failure. Other refractories may begin to show a slumping or a degradation and begin to weaken. Silica brick holds its properties and then fails catastrophically once you past its service temperature. Other refractories will give warning.

MR. SULTAN: Okay. So how is that different from the load bearing characteristics?

MR. MULHOLLAND: Load bearing characteristics, my understanding would be that it's high strength. You can stack --

MR. SULTAN: You can stack them up high.

MR. MULHOLLAND: -- very high on top of each other, heat the brick up, and the bricks at the bottom do not deform. They maintain their shape and

integrity.

MR. SULTAN: Okay. Now in terms of how the SRBs are made, in the petition it explains that in coke oven applications, the crushed silica is mixed with less than five percent lime that acts as a binder. What about the production of SRBs for glass furnace crowns, do you also use lime in roughly the same proportion?

MR. MULHOLLAND: Should I answer or brief?

MR. STRAIGHT: If you don't mind, we'll just put that in the brief.

MR. SULTAN: Brief is fine, okay. Now in terms of the uses for these products, I looked at Exhibit 3 to the petition, which is this chapter on refractories. And I have to confess, I didn't understand all of it. I didn't work on the magnesia refractories case.

MR. STRAIGHT: I'm still learning.

MR. SULTAN: Okay. I got the impression that one uses different types of refractories at different spots in the furnace, is that correct?

MR. STRAIGHT: Yes, and one of the things that was most helpful to me as I was trying to learn all this is that diagram on page 33 of Exhibit 3 that shows you kind of the different -- there it is --

MR. SULTAN: Okay.

MR. STRAIGHT: -- the different refractories in different places. Now these guys can give more detail about that and kind of how it works, but that was my rule of thumb.

MR. SULTAN: Okay. So this diagram is of a glass tank melting furnace, which I assume is for making glass.

MR. MULHOLLAND: Yes.

MR. SULTAN: Now are there any spots in the furnace where a customer would have a choice as to whether it wants to use silica brick or a different kind of brick?

MR. MULHOLLAND: I'd say they have a choice in the regenerators. These would be the sides of the furnace. Sometimes they're magnesia or different compositions. The walls sometimes are magnesia. Some places in Australia use silica in that application. Not too many people in the States do that. Our product is mostly on the crown itself, the middle of the drawing.

MR. SULTAN: And is that because that's the hotter part of the furnace?

MR. MULHOLLAND: The regenerators can get very hot too.

MR. SULTAN: Okay.

MR. MULHOLLAND: Yes.

MR. STRAIGHT: My understanding of that is that is where your glass is actually melting. So if you have any degradation and you have this pure silica, you're not going to affect your glass. And you guys correct me if -- yeah.

MR. SULTAN: Okay. So what about in a coke oven, would there also be interchangeability as to what type of refractory you want to use, silica in some cases?

MR. MULHOLLAND: To the best of my knowledge, no. The working portion of the battery is going to be silica.

MR. SULTAN: Okay. Moving on to channels of distribution, you explained that typically customers will have a project and will come to you for bids. Are these SRBs also carried by distributors or are they always sold to end users?

MR. MULHOLLAND: We do not have -- well, I'd say, there's a handful of what you would envision as a stocking distributor that service predominantly the electric arc furnace market. It is just a small niche market we serve. There are refractory companies and distributors that concentrate, that would take a

number different refractory products that provide service to the customer. We sell to them and they take title to the product and then resell it to that customer. Sometimes I think they would carry some inventory for that customer.

MR. SULTAN: So you sell to end users and to distributors. Roughly in what proportion?

MR. MULHOLLAND: Two percent I'd say of our business may go to what you would envision as a stocking distributor. We do use distributors in the marketplace where we would sell to a company that's providing sales, service for us, that would take title and sell to the end user, United States.

MR. SULTAN: Okay.

MR. MULHOLLAND: In most cases, we sell directly to our customers though.

MR. SULTAN: Now turning to the manufacturing facilities and the production process and the employees, do you make other types of refractories other than silica refractories in the same facilities, using the same employees?

MR. WORTHEN: No, we do not.

MR. SULTAN: You do not?

MR. WORTHEN: No.

MR. SULTAN: Because I thought --

MR. WORTHEN: We will make silica cements, but outside of the silica refractories though.

MR. SULTAN: Okay. Silica cements, you said?

MR. WORTHEN: Well, yes, cement to put the bricks together and hold them together. Silica mortar might be better.

MR. SULTAN: Okay moving on to the fifth element, which is producer and customer perceptions of the products, earlier, Mr. Straight, I think I heard you say that among customers, everyone knows what you're talking about. So would you say that producers and customers have a very clear idea of the distinctions between SRBs and other types of refractories?

MR. STRAIGHT: I would say absolutely. And Tom is right here and I think he knows this much --

MR. MULHOLLAND: Yes, absolutely.

MR. SULTAN: Okay. And finally price, you mentioned that SRBs are low cost. And I think I heard you compare the price of SRBs to mullite bricks.

MR. MULHOLLAND: Yes.

MR. SULTAN: But how about in comparison to other types of refractories? I mean can you give me some idea of --

MR. MULHOLLAND: I had mentioned on the fuse cast refractories, which would be a potential substitute for our product, and the top of a glass furnace crown I had mentioned six to eight times more expensive to use that type of product. Sometimes customers consider that when they have a very demanding furnace that is really hurting the refractory life. They look at that and they consider that. But in most cases, they stick with the silica.

MR. SULTAN: Okay, thank you.

MR. WISEMAN: And just for point of clarification too, I want to be clear that these other types of refractories, you know, we've hit on the ones that are interchangeable. It's a very small subset of refractories that are interchangeable. The refractories you hear about more often perhaps would not be interchangeable in the same application with our products. So the price difference I think would maybe be inconsequential because you couldn't use them in the same capacity.

MR. SULTAN: And what sort of refractories would those be?

MR. WISEMAN: So like magnesia for example. You know, some of the other refractories that have been brought up -- I guess what I want to clarify is I

think today we've stated what type of refractories would be interchangeable. You know, the fuse silica with the price difference, the mullite example we gave, that's about the extent of it. In the industry, they wouldn't just go out and use any refractory for any application. They have very specific qualities that would cause them to be used in the context that they're used now.

MR. SULTAN: Thank you. I think that's enough on the domestic-like product. I just have several other miscellaneous questions. You mentioned that it's very costly to build a plant. The production process seems relatively simple. What makes it so costly?

MR. WORTHEN: Well, as you know, in any industry, machinery is not cheap. The kilns are very expensive. I think the last number I come up with in the early '90s was about $50 million to replicate that plant.

MR. STRAIGHT: And just to give you a visual, again for me it's been helpful to go down and visit the guy's plant. You have this whole lineup of these large, large kilns that you have to build in the first instance and then -- and I agree, the production process is relatively simple, the flow, but to build

all that and all -- I can't remember how many kilns you have --

MR. WORTHEN: We have 10 kilns.

MR. STRAIGHT: -- 10 kilns, that's costly to build each one of those.

MR. SULTAN: Okay. Mr. Mulholland, when you were talking about other countries that make these products, you mentioned Czech producers, German producers, and a producer in Belgium, and I heard you say I think that you had competed successfully --

MR. MULHOLLAND: Yes.

MR. SULTAN: -- against these companies. Do you care to elaborate on that? I mean --

MR. MULHOLLAND: Well, when we go to market, our customers realize we are not a large company. These are companies that are perhaps hundreds of times our size that make many different types of refractories. So they can be a little more aggressive on price. At the end of the day, we have to pay the light bill. We can't buy market share. So we look for different ways to compete against those companies: time, efficiencies, quality. We try to differentiate that and we're still competing against a very large company and we've been successful at that.

MR. SULTAN: Thank you. And my last

question goes to the so called repair project that you had. I guess I'm wondering if your customer had this catastrophic failure, why that customer continued to source from China after that?

MR. WORTHEN: This isn't the first time.

MR. SULTAN: This is not the first time what?

MR. WORTHEN: Since we have done this type of business, meaning that we have done this repair project 10 years ago. So that same thinking is still there. It's all a bottom line cost.

MR. SULTAN: But presumably, I mean, if they had a catastrophic failure and they have to come to you to rebuild their furnace, that's costly too.

MR. WORTHEN: Certainly. Yeah, that's our point.

MR. WILLIAMS: We've tried to explain it, it just doesn't get through.

MR. WORTHEN: Yeah, it doesn't get through. But, you know, we're dealing with different people about every time this happens. So they come in, they see a low cost refractory, they buy it, they move on in their position, the furnace fails, we deal with another guy, he sees a low cost, so it just continues to work that way.

MR. WILLIAMS: But they've used this for years in their application as well though. I mean it's not all failures. They've successfully used this other brick a lot.

MR. WISEMAN: I don't know that we call it catastrophic. He's right. These are large repair projects for a failure of certain parts of furnaces that may have been put in. The problem of course, the concern we have is the price is still so low that notwithstanding those failures, they're still choosing to go back and buy this brick because obviously it's offset, whatever potential harm is offset by the low initial cost of the brick.

Moreover, one of our concerns about threat and harm is we anticipate they're going to continue to refine their process and make better and better brick and make it more and more difficult for us to compete. Because that one argument we have about, hey, failure and we're going to have to come in and redo this for you, even though price has been so low, they haven't changed their behavior. We think it's going to become harder and harder as the brick becomes more competitive.

MR. STRAIGHT: And just two follow-up points, I think one thing that Mr. Williams said, they

haven't had all failures. I mean they've had plenty of Chinese brick that's worked just fine and haven't had a problem with it. And so that leads them to keep buying it because of the price difference. And then what I asked Tom was making sure the European pricing that they've been competing against is much fair. I mean it's nowhere close to as low as the Chinese pricing. So they've been successful in weaning some of those, but you're in a much closer price parity than you have been with any of the Chinese products.

MR. WILLIAMS: Plus the time constraint issues.

MR. STRAIGHT: Yeah.

MR. SULTAN: Thank you. That's all I have.

MS. DEFILIPPO: Thank you. Mr. Yost, do you have any questions for the panel?

MR. YOST: Thank you. Yes, just a few follow-up questions. So perhaps a steel company or a glass manufacturer may defer changing out the silica brick if they -- in the event of a downturn like we experienced in late 2008-2009? I mean is that a significant part of the changes in demand?

MR. MULHOLLAND: I think they would consider that, but I would say perhaps no. That furnace will eventually need repair. They can schedule it with --

let's say one company could have 10 repairs scheduled and they do the five critical ones. And sometimes they make marketing decisions based on how to serve their customers and keep this plant going while this plant is shut down. That enters into the equation as well.

MR. YOST: Okay. You mentioned that you have very small amount of sales to stocking distributors and to other distributors. Do they buy particular shapes or is there a commodity size brick that a stocking distributor or other type of distributor may buy just to have them on -- you know, in the yard for example when somebody calls?

MR. MULHOLLAND: The distributors are servicing the electric arc furnaces. Sometimes two or three distributors will chase the same business. And we quote them all and then sell to whoever wins the customer's bid. But I don't believe they carry a lot of inventory because a lot of times they're in a hurry to get the product, which means their customer needs it, which means they don't have it in stock.

MR. YOST: So in effect even though you're selling to a distributor, the distributor probably has very similar type of bill of materials that you would be bidding on to a coke oven or a glass manufacturer;

in other words, a bill of materials that specifies number of shapes, et cetera, et cetera?

MR. MULHOLLAND: For the electric arc furnace, we may see two to four shapes for that portion of the market. We don't sell to distributors for the coke market.

MR. STRAIGHT: But if I may, I think the question was more focused on is that distributor going to be selling in the same kind of way you are, meaning here's a specific job, he's got a bill of materials, he needs to fill that.

MR. MULHOLLAND: Yes. The furnace need repair, they need product to do that.

MR. WILLIAMS: They have a specific customer in mind when they purchase and that's usually a repeat business.

MR. YOST: Okay. So they're not buying for inventory --

MR. WILLIAMS: No.

MR. YOST: -- anymore than I get the sense that you're not producing for inventory. You're producing for specific orders that have a specified bill of materials that specify the shapes and how many shapes and so forth.

MR. WORTHEN: Yes.

MR. YOST: Okay, all right. Thank you for those clarifications. I get involved very deeply, as you know, in your financial information and I'm more than a little constrained discussing that in public. So I have several follow-up questions that I will provide you separately outside of the conference.

MR. STRAIGHT: thank you.

MR. YOST: Thank you very much. And I'd like to thank you for the cooperation that I've received so far. Thank you.

MS. DEFILIPPO: Thank you, Mr. Yost. Ms. Lundquist, questions for the Petitioner?

MS. LUNDQUIST: Yes. I'm Kathryn Lundquist in the Office of Industries, writing about the manufacturing process, as well as the non-subject countries who are producing the silica refractory brick. I have some questions. First, whether or not there have been any significant changes in silica refractory brick manufacturing in recent years, has it changed since the plant was developed during World War II?

MR. WORTHEN: No, not really.

MS. LUNDQUIST: Not significantly?

MR. WORTHEN: No.

MS. LUNDQUIST: Thank you.

MR. WORTHEN: There have been some efficiencies gained, but by most part it's the same.

MS. LUNDQUIST: All right, thanks. And to your knowledge -- well, my understanding is that there are two types of manufacturing, one using periodic kilns and the other using continuous kilns. Are you aware of what type of the Chinese manufacturers use?

MR. WORTHEN: I don't know that.

MS. LUNDQUIST: Not aware, thank you. And any of the European companies, are they using periodic kilns or continuous?

MR. WORTHEN: Both.

MS. LUNDQUIST: Both?

MR. WORTHEN: Yeah. I'm sure the Chinese are using both also.

MS. LUNDQUIST: Okay, thank you. And do you know what the source of Chinese silica is? Are they using Ganister also? Are they importing?

MR. WORTHEN: I'm sure they're using Ganister also.

MS. LUNDQUIST: Ganister?

MR. WORTHEN: Yeah.

MR. STRAIGHT: Where it comes from, I don't think we know.

MR. WORTHEN: We don't know that.

MS. LUNDQUIST: Thank you. And could you please discuss how Utah Refractories is different in quality? Why are they of a higher quality? Is it the raw materials that Utah Refractories is using?

MR. WORTHEN: Yes, it is.

MS. LUNDQUIST: Okay. And that has to do with the silica content in the rock that you're mining?

MR. WORTHEN: Yes.

MS. LUNDQUIST: Thank you.

MR. STRAIGHT: And just one clarification on that. You know, I think our products and our business is all about quality and the highest quality. But I think it is important to remember, as we've heard today, that Chinese brick substitutes in and we may be able to differentiate on quality, but it's a marginal point versus a decision-making point because if the cost is where it is, the steel producers and the glass companies are going with the Chinese because it's lower cost.

MS. LUNDQUIST: Okay. And in the case of the steel -- or the coke oven repair, was that an issue of the materials that were in the silica brick originally? Where was the quality flaw in those brick?

MR. WORTHEN: I don't believe that I really know the answer to that, to be honest with you. Tommy, did you hear --

MR. STRAIGHT: So what happened on that --

MR. WORTHEN: What happened to the Chinese brick?

MR. STRAIGHT: -- the U.S. steel repair project?

MR. MULHOLLAND: The large --

MR. STRAIGHT: What happened to the brick?

MR. MULHOLLAND: I believe the brick failed inspection. Our customers, when they develop the bill of materials that we quote off of, part of that bill of material, let's say it says silica brick, then there are specifications that our customers develop, your brick have to meet these specifications. So you can be at the high end of the quality of the specification, you can be in the middle or the low, but you technically meet those specifications for the silica brick. We try to say we're at the high end of those specifications.

MS. LUNDQUIST: Okay, thank you. A lot of these questions have already been answered. I have a question about silica brick shipping. When you are shipping to a customer, are the silica brick

palletized and shipped on trucks?

MR. WORTHEN: Yes.

MS. LUNDQUIST: Thank you. And in terms of shipping from China, I would assume that it would be very high cost. Are they shipped in containers sent overseas?

MR. WORTHEN: Containers and come across on a boat.

MS. LUNDQUIST: And a little bit about Utah Refractories manufacturing process, for your kilns, how are the bricks loaded and unloaded into the kilns?

MR. WORTHEN: All by employees.

MS. LUNDQUIST: Employees. So --

MR. WORTHEN: It's all manual labor.

MS. LUNDQUIST: All right. And just one final question, just about the molds, what are the molds made from that you produce brick?

MR. WORTHEN: We actually have a couple of different styles. 87 tool steel is the majority of the molds. Large runners or large piece counts, we will go to carbide because it's much more cost effective.

MS. LUNDQUIST: Thank you. I think that sums it up for me.

MR. STRAIGHT: Thank you.

MS. DEFILIPPO: Mr. McClure, questions?

MR. MCCLURE: Jim McClure, Supervisory Investigator. That title means I'm the least important person here and these people do all the work. I want to thank you folks for coming in all the way from Utah. We are an agency, we're as good as the information we get. You folks have the information and other questionnaire respondents.

I know you are always happy to get greetings from the government and say we need a little information. So we appreciate what you've given us so far. I'm sure we will have follow-up questions indicated -- it's in your interest to help us as much as possible because each case is different. And we've gone from solar panels to next week washing machines and this, so we do a wide range of things.

One thing that Kathryn mentioned, the shipments from overseas, now I assume you sell on a national basis rather than particular regions?

MR. MULHOLLAND: We service -- our primary market is the United States --

MR. MCCLURE: Right.

MR. MULHOLLAND: -- regardless of geographic location.

MR. MCCLURE: Okay. Would you say that's

the same for the Chinese?

MR. MULHOLLAND: I have no idea how to answer that. I'd say we're seeing Chinese product here, so perhaps no. We do export market.

MR. MCCLURE: Right, but I'm just trying to get a picture if they are mostly on the west coast or if they come in to other ports.

MR. WORTHEN: They're all over, east and west coast. Yes, east and west coast.

MR. MCCLURE: Okay. That's the only question I have. I'm usually the most popular questioner for that reason. But one thing I would, getting back to the importance of you getting in touch with the Department of Commerce, so we can get this scope thing clarified as soon as possible, because to get some precision and clarity in that definition would be helpful to us. But it's also helpful if there are firms out there who produce other things, who really aren't what you were after, it saves them a lot of money too.

MR. STRAIGHT: And that's fair.

MR. MCCLURE: So the Commerce Department is over at 14th & Constitution. If you've got some extra time, you can do that and wander over to the Christmas Tree lighting tonight, all, you know, one package.

Anyway, thanks for coming and we look forwarding to proceeding with the case.

MS. DEFILIPPO: Thank you, Mr. McClure. Like Ms. Lundquist, I tried to cross off the questions that I've generated during the course of this. I think I've done a good job. Most of my questions have been either answered in your responses or asked by other staff. I think I have a couple just to follow up.

I'm drawing a blank on -- maybe it was Ms. Day was talking about qualification and ASTM standards. In addition to the ASTM standards, is there any sort of qualification process or procedures that purchasers go through in order to qualify that product or is it basically the ASTM standards and the specifications that are listed?

MR. MULHOLLAND: Many of our customers have their own specification and they will consider the ASTM designation. And where that is helpful is in how do you test for density, how do you test the strength of the product. The ASTM has specific steps, so that everybody tests the same way.

The Europeans have their own standards similar to the ASTM. And through experience in that, our customers have a working knowledge of either one.

MS. DEFILIPPO: I apologize if you've already stated this, are the ASTM standards the same for the brick in the use in the steel, as they are in the glass furnaces?

MR. MULHOLLAND: I would say yes, because in some of the coke oven applications and the specifications that will refer to the ASTM standard. For example, they have a density specification per ASTM.

MS. DEFILIPPO: Okay. You talked a little bit about the product being made to order and that I think that there were differences between sort of the coke oven use and the steel. Within each of those sort of two market segments, do customers have different specifications such that the silica level on other things may vary? So glass producer 1 may have a different specification than glass producer 2?

MR. MULHOLLAND: I'd say in glass, most of the customers buy one grade of our product. However, there are some variations for oxy-fuel furnaces. But if a customer wants to use that, it's available to them.

MS. DEFILIPPO: Okay.

MR. MULHOLLAND: We do have improved versions of what I would call our standard product.

But most of the glass industry buys the standard product.

MS. DEFILIPPO: Okay. Is that the same for customers in the coke oven industry?

MR. MULHOLLAND: Coke oven industry, one standard product.

MS. DEFILIPPO: Okay. I think it might have been you, Mr. Straight, earlier said a lot of the sales have been lost on the steel industry side. There's very few left and that they're starting to -- the Chinese are starting to make inroads into the glass industry. Why was it or is it easier to penetrate the steel industry, as opposed to the glass industry?

MR. STRAIGHT: And that is what we said and what we've seen. I want to let these guys address that to the extent we know.

MS. DEFILIPPO: Sure.

MR. MULHOLLAND: This is strictly my opinion, but the numbers -- the dollars potential is much higher in the steel industry. So if you're looking to save money, there's more potential to do that in steel. I think steel will take a little more risk in their operation than the glass industry. The glass industry is traditional. They have a furnace

that runs well for so long. They're hesitant to make changes. They will look at things, but it takes time. So for example if you're trying to sell a new customer, they're going to be very, very cautious about making a change. It's a little bit -- that's the flavor of the industry.

MS. DEFILIPPO: Thank you. That's helpful. And just a couple final questions just so I understand. In the repair business, are you relining a whole oven or is it more of a spot sort of repair for portions of the furnace on either side?

MR. MULHOLLAND: Let's say a coke oven battery may have 40 ovens. The repair would start in a portion. Many times the battery is still producing coke. And they'll shut down a couple ovens and bank them as a safety measure and then repair these ovens and then move down the battery. So the whole battery is usually not shut down and rebuilt.

MS. DEFILIPPO: Okay. So how long would it take for that process from starting to do a repair to on average?

MR. MULHOLLAND: I couldn't give you an average --

MS. DEFILIPPO: Okay.

MR. MULHOLLAND: -- but it's over a year.

MS. DEFILIPPO: Okay. That's helpful. And this could be something you would prefer to put into a post-conference brief, but looking at the period that we collected data for, so since 2009, would you say more of your business has been for repair or construction for new facilities? And again feel free to comment on that in a submission after post-conference.

MR. STRAIGHT: We'll respond to that in the brief.

MS. DEFILIPPO: Okay, thank you. I do not have any additional questions. I'm going to look up and down the table to see if anyone has any additional questions. With that, we conclude the direct presentation and questions.

I thank you all very much for being patient in answering all our questions. As Mr. McClure mentioned, we do a lot of different products and but for our industry analysts who follow these industries, we don't. So it's always a new and interesting venture trying to learn about it.

Mr. Straight, what we normally do is then have a 10-minute period for each side, in this case just you, to do a concluding statement or remarks. If you want to take time, a few minutes to consult with

your panel, or if you want to just move into it, or if you just are done, that's fine too.

MR. STRAIGHT: I think if we just turn my mic off, I can consult with these gentlemen just right there and we'll wrap up just one second.

MS. DEFILIPPO: That would be great.

(Pause.)

MR. STRAIGHT: As I suspected, we're ready to wrap up.

MS. DEFILIPPO: Terrific.

MR. STRAIGHT: We want to thank all of you and all of your efforts and we appreciate the work that you've put into this and obviously the great attention you've given it based on the questions we've heard. We'll be happy to submit our post-conference brief. I think it's due on Tuesday. And if there are any other questions, of course we'll field those.

I just want to reiterate one more time, this company is really in a crisis situation and really facing a serious injury and as already been significantly injured. And this is the place we learn we should come for relief and so we're asking for that relief. Thank you.

MS. DEFILIPPO: Thank you, Mr. Straight. On behalf of the Commission and the staff, I'd like to

thank the witnesses who came here today, as well as counsel, for helping us gain a better understanding of the product and the conditions of competition in the silica bricks and shape industry.

Before concluding, please let me mention a few dates to keep in mind. The deadline for submission of corrections to the transcript and for submission of post-conference briefs is Tuesday, December 11th. If briefs contain business proprietary information, a public version is due on Wednesday, December 12th.

The Commission has tentatively scheduled its vote on this investigation for Friday, December 28th and it will report its determination to the Secretary of the Department of Commerce on Monday, December 31st. Commissioner's opinions will be transmitted to Commerce on Tuesday, January 8th.

Thank you again for coming and with that, this conference is adjourned.

(Whereupon, at 11:26 a.m., the hearing in the above-entitled matter was concluded.)

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CERTIFICATION OF TRANSCRIPTION

TITLE: Silica Bricks and Shapes from China

INVESTIGATION NO.: 731-TA-1205

HEARING DATE: December 6, 2012

LOCATION: Washington, D.C.

NATURE OF HEARING:Hearing

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

DATE: December 6, 2012

SIGNED: LaShonne Robinson
Signature of the Contractor or the Authorized Contractor's Representative
1220 L Street, N.W. - Suite 600
Washington, D.C. 20005

I hereby certify that I am not the Court Reporter and that I have proofread the above-referenced transcript of the proceeding(s) of the U.S. International Trade Commission, against the aforementioned Court Reporter's notes and recordings, for accuracy in transcription in the spelling, hyphenation, punctuation and speaker-identification, and did not make any changes of a substantive nature. The foregoing/attached transcript is a true, correct and complete transcription of the proceeding(s).

SIGNED: Rebecca McCrary
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I hereby certify that I reported the above-referenced proceeding(s) of the U.S. International Trade Commission and caused to be prepared from my tapes and notes of the proceedings a true, correct and complete verbatim recording of the proceeding(s).

SIGNED: David Jones
Signature of Court Reporter