

UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:) Investigation Nos.:
WELDED STAINLESS STEEL PRESSURE) 701-TA-548 AND
PIPE FROM INDIA) 731-TA-1298 (PRELIMINARY)

REVISED AND CORRECTED

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IN THE MATTER OF:) Investigation Nos. :
WELDED STAINLESS STEEL PRESSURE) 701-TA-548 AND
PIPE FROM INDIA) 731-TA-1298 (PRELIMINARY)

Main Hearing Room (Room 101)
U.S. International Trade
Commission
500 E Street, SW
Washington, DC
Wednesday, October 21, 2015

The meeting commenced pursuant to notice at 9:30
a.m., before the Investigative Staff of the United States
International Trade Commission, James McClure, Supervisory
Investigator, presiding.

1 APPEARANCES:

2 Staff:

3 Bill Bishop, Supervisory Hearings and Information

4 Officer

5 Sharon Bellamy, Program Support Specialist

6

7 Joanna Lo, Investigator

8 Jessica Pugliese, International Trade Analyst

9 Amelia Preece, Economist

10 Andrew Knipe, Economist

11 Charles St. Charles, Attorney/Advisor

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1 APPEARANCES:

2 Opening Remarks:

3 Petitioners (Christopher T. Cloutier, Schagrin Associates)

4 Respondents (Julie C. Mendoza, Morris Manning & Martin LLP)

5

6 In Support of the Imposition of Antidumping and

7 Countervailing Duty Orders:

8 Schagrin Associates, Washington, DC on behalf of:

9 Bristol Metals LLC

10 Felker Brothers Corporation

11 Marcegaglia USA Inc.

12 Outokumpu Stainless Pipe, Inc.

13 United Steelworkers of America

14 John Tidlow, Executive Vice President, Synalloy

15 Metals

16 David Hendrickson, President, Felker Brothers

17 Corporation

18 Don Brunswick, Vice President of Sales,

19 Marcegaglia USA

20 Kris Podsiad, Senior Vice President and General

21 Manager, Outokumpu Stainless Pipe

22 Holly Hart, Legislative Director, United

23 Steelworkers of America

24 Robert B. Schagrin and Christopher T. Cloutier -

25 Of Counsel

1 In Opposition to the Imposition of Antidumping and
2 Countervailing Duty Orders:

3 Morris Manning & Martin LLP, Washington, DC on behalf of:

4 Bhandari Group

5 Prakash Steelage Ltd.

6 Streamline Industries

7 Sunrise Group Co.

8 (collectively "Indian Producers")

9 Alan Lipp, Chief Operating Officer, Merit Brass
10 Company

11 Chad Robinson, Global Procurement, Warren Ally
12 Valve & Fitting Co., LP and the Allied Group

13 Donald B. Cameron and Julie C. Mendoza - Of
14 Counsel

15 Rebuttal/Closing Remarks:

16 Petitioners (Roger B. Schagrín, Schagrín Associates)

17 Respondents (Julie C. Mendoza, Morris Manning & Martin LLP)

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9:30a.m

MR. BISHOP: Will the room please come to order?

CHAIRMAN MCCLURE: Good morning and welcome to the International Trade Commission's Conference in connection with the preliminary phase of antidumping and countervailing duty investigations #701-TA-548 and 731-TA-1298 concerning welded stainless steel pressure pipe from India. My name is James McClure. I'm the Supervisor Investigator in the Office of Investigations and I will preside at the conference.

Among those present from the Commission Staff are to my far right the investigator Joanna Low, to my immediate right, Charles St. Charles our attorney/advisor, to my immediate left Amelia Priest the economist. Additionally from the Office of Economics, Andrew Knipe and finally on my far left Jessica Pugliese the industry analyst. 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 a presentation or answering questions for the benefit of the court reporter. I will remind you if you don't do that. All witnesses must be sworn in before presenting testimony. I

1 understand the parties are aware of the time allocations.
2 Any questions regarding the time allocations should be
3 addressed with the secretary. Are there any questions? Mr.
4 Secretary, are there any preliminary matters?

5 MR. BISHOP: No, Mr. Chairman.

6 CHAIRMAN MCCLURE: Very well, Mr. Secretary let
7 us proceed with the opening remarks.

8 MR. BISHOP: Opening remarks on behalf of the
9 Petitioners will be by Christopher T. Cloutier, Schagrin
10 Associates.

11 OPENING REMARKS OF CHRISTOPHER T. CLOUTIER

12 MR. CLOUTIER: Good morning. I am Chris Cloutier
13 of Chagrin Associates representing the petitioners in this
14 proceeding. It's an honor to be here at what I understand
15 may be Mr. McClure's final staff conference. The
16 astronomical increase in imports of welded stainless
17 pressure pipe from India has caused the Domestic Industry to
18 suffer material injury and threatens more injury in the
19 future. Import volumes from India in the relevant tariff
20 categories increased from just two hundred eighty tons in
21 2012 to more than twelve thousand tons in 2014 and continued
22 to increase in interim 2015.

23 Low unit values and rampant underselling have
24 caused Indian Imports to gain control of nearly 20 percent
25 of apparent U.S. Consumption in just eighteen months. The

1 timing of India's explosive growth was particularly bad for
2 the Domestic Industry. As you will remember from the recent
3 investigations involving imports of the same product from
4 Malaysia, Thailand and Vietnam, demand in the U.S. declined
5 from 2012 to 2013.

6 When demand improved in 2014, cheap Indian
7 Imports flooded the market, jumping from twelve hundred to
8 twelve thousand tons. Surging volumes of Subject Imports
9 with increasingly lower unit values prevented the Domestic
10 Industry from realizing its fair share of the upside from
11 the improving market in 2014 and this surge is doing even
12 more to damage now that demand is increasing. U.S.
13 Producers have been losing sales and revenue to dumped and
14 subsidized imports and continue to do so.

15 It almost goes without saying that Subject
16 Imports are significant. They grew from just a few hundred
17 tons three years ago to more than fourteen thousand tons
18 this year on an annualized basis. Indian Imports have gone
19 from having essentially no market share to nearly a fifth.
20 They are undeniably significant. The Petition demonstrates
21 that the Domestic Industry lost market share to Subject
22 Imports during the Period of Investigation.

23 The Domestic Industry sales did not keep pace
24 with the growth of the market in 2014, logging only a modest
25 increase relative to the growth and apparent consumption.

1 The gains that Subject Imports made in the U.S. Market came
2 directly at the expense of the Domestic Industry. ASTM-A312
3 and ASTM-A778 are standard products that are sold on the
4 basis of price. Preliminary anti-dumping duties were
5 applied to imports from Malaysia, Thailand and Vietnam in
6 May 2014 and final duties were imposed later that year but
7 this provided only a brief respite from unfairly traded
8 imports.

9 The Domestic Industry sales improved for a time
10 but distributors quickly shifted to Indian suppliers. The
11 Commission will also see that some U.S. Producers tried to
12 maintain market share by lowering their prices in 2014 and
13 interim 2015 but these efforts have been unsuccessful as
14 they are unsustainable. Indian Imports are undercutting the
15 Domestic Industry by a wide margin and the Domestic Industry
16 is less profitable than ever.

17 The Domestic Industry shipments in interim 2015
18 were down and inventories were up. The number of workers
19 were down as were the hours that they worked and the wages
20 that they earned. The trends clearly show an industry in
21 decline. U.S. Manufacturers welded stainless pressure pipe
22 are suffering current material injury.

23 We address threat in our petition and today will
24 add only a few points. As I have just indicated, the
25 Domestic Industry's capacity utilization is low. The

1 Domestic Industry is also unprofitable, making it
2 particularly susceptible to injury as a result of dumped
3 imports. The Indian Industry shows no sign of slowing its
4 export-led development for reasons including its own
5 low-capacity utilization and limited domestic demand, which
6 is under assault from Chinese Imports.

7 Given the incredible rate of increase in Subject
8 Imports over the last eighteen months, the Domestic Industry
9 is clearly threatened with additional material injury by
10 imports from India. In sum, I hope that I have been able to
11 impart that the Domestic Industry has been under siege for
12 some time and the recent surge in imports from India has
13 caused myriad substantial problems. We therefore urge the
14 Commission to find in the affirmative and allow these
15 investigations to go forward.

16 CHAIRMAN MCCLURE: Thank you Mr. Cloutier, we
17 will now proceed to Ms. Mendoza for the Respondents.

18 MR. BISHOP: Opening remarks on behalf of the
19 Respondents will be given by Julie C. Mendoza; Morris,
20 Manning and Martin.

21 OPENING REMARKS OF JULIE C. MENDOZA

22 MS. MENDOZA: Good morning Mr. McClure and
23 members of the staff. We're going to miss you Mr. McClure.
24 The year 2014 was the U.S. Industry's best year during the
25 period and actually 2014 was one of the best years the

1 industry has had since 2005 based on the records of past
2 cases on stainless pipe. Most of those years they had
3 losses.

4 In 2014, nickel prices were up, profits were up,
5 demand was up, domestic shipments were up and prices
6 increased sharply. Exactly when imports from India showed
7 their greatest increase. Certainly this data does not
8 support a finding of present material injury from Indian
9 Imports in 2014. But two things happened in the first half
10 of 2015 to disrupt this positive picture. Demand dropped
11 and then nickel prices plunged.

12 The degree of decline in nickel prices was
13 remarkable. The U.S. Industry faces significant volatility
14 in its prices due to the close link between stainless prices
15 and nickel prices. The surcharges which are based
16 primarily, but not exclusively on nickel prices add an
17 additional degree of transparency to pricing in the
18 stainless pipe industry. That can be good and bad. When
19 nickel prices rise, the U.S. Industry is able to push
20 through surcharge increases long before the actual increased
21 cost of these materials ever hit their inventory.

22 This means higher prices on lower priced
23 inventory. But conversely, when nickel prices fall, the
24 U.S. Industry is forced to adjust downward the surcharge,
25 long before the benefit of the reduced cost is realized in

1 their inventory values. So 2015 saw nickel prices falling
2 steeply. In response, prices dropped and profits dropped
3 but all imports also started to decline.

4 Now, it's true that Indian Imports fell more
5 slowly in the first quarter of 2015 and we'll explain why.
6 But by May, Imports from India were at half the level of the
7 first part of the year and they continued to drop in June,
8 July, and August and in August Indian Imports reached three
9 hundred and seventy-nine tons compared to their level in
10 January of fifteen hundred tons. Conversely, imports from
11 Taiwan did not decline over 2015 and were at their highest
12 level in August at nineteen hundred and twenty-eight tons.

13 Let's look at the only surrogate we have for
14 pricing data for non-Subject Imports, AUV data. AUV data
15 suggests that Taiwanese Imports were priced only
16 seventy-four cents a short ton higher in the total first
17 half of 2015 than Indian AUVs. But let's look at the
18 monthly data and the trends in 2015. After May, Taiwan's
19 Unit Values drop and in May and June as well as July and
20 August, Indian AUVs are higher than those of Taiwan. Indian
21 AUVs are very similar to those of Korea in the beginning of
22 2015 but by March of 2015 India AUVs are higher than
23 Korea's.

24 Nevertheless, what did the U.S. Industry decide
25 to do about declining prices due to nickel declines? It did

1 what it always does when a new supplier enters the market,
2 it filed a trade case. It filed that trade case on December
3 30th, the last day on which the investigation would stop at
4 June. But where is the causation? This case can't be about
5 2014 as I just explained and even in 2015, the Petitioners
6 can't even identify sales or revenues that they have lost to
7 these actual imports. This is a pretty big
8 admission when the market is dominated by non-Subject
9 Imports, often at lower AUVs than India. Who really got
10 the sale? Prices were pretty flat in the first quarter of
11 2015 compared to the last quarter of 2014. The real price
12 drops did not occur until the 2nd quarter of 2015. And look
13 at the small underselling margins, particularly for Product
14 One and Product Two, the big volume pricing categories for
15 U.S. Producers.

16 These margins of underselling then declined in
17 2015. These small, underselling margins are to be expected
18 for an Indian product that has little market recognition and
19 a lower acceptance rate than the Korean or Taichen Imports
20 let alone U.S. Producer Product. The Commission must
21 consider each case carefully but in this case, there is no
22 basis on going forward.

23 MR. BISHOP: Would the panel in support of the
24 imposition of Antidumping and Countervailing Duty Orders
25 please come forward? Mr. Chairman, our witnesses on this

1 panel have been sworn in.

2 CHAIRMAN MCCLURE: Thank you Mr. Bishop. Before
3 we start, I would note a couple of things. A pipe case,
4 Roger Schagin, Julie Mendoza, Don Cameron. Yogi, this is
5 d j vu all over again. Finally, another sign that I should
6 retire, I forgot to shut off my phone, so shut off your
7 phone or put it on vibrate and now I will go call my wife.

8 Welcome once again Mr. Schagrín, Mr. Cloutier and
9 witnesses. I'll be right back.

10 MR. SCHAGRIN: Well, thanks Jim. I guess I
11 shouldn't say so many nice things about you because you're
12 leaving so we will wait until you come back. We have plenty
13 of time. Your wife wants to know when your retirement
14 vacation is starting so she decided to call you during
15 conference.

16 It's a pleasure to be here this morning, Roger
17 Schagrín on behalf of the Petitioners and other than talking
18 about McClure, I don't have a lot to talk about. We're
19 going to let industry witnesses from the four companies that
20 represent virtually the entire U.S. Industry present the
21 case today and we will begin with David Hendrickson the
22 President of Felker Brothers.

23 STATEMENT OF DAVID HENDRICKSON

24 MR. HENRICKSON: Good morning Mr. McClure and
25 Members of the Commission Staff. For the record, my name is

1 David Hendrickson and I am the President of the Felker
2 Brothers Corporation. Felker Brothers is a family-owned
3 company founded in 1898 and incorporated in 1903. It has
4 been in the stainless steel pipe business for approximately
5 fifty years. I have been with the company for twenty-one
6 years and became President in 2010.

7 Our plant in Marshfield Wisconsin does not
8 produce any of the subject product. We have a pipe roll for
9 making large diameter light-walled pipe outside the scope of
10 this investigation as well as a fabrication facility for
11 producing piping systems. Those piping systems are
12 primarily for the wastewater, water purification and green
13 processing industries. In 1993, Felker built a new
14 manufacturing plant in Glasgow, Kentucky.

15 We did this in part to be close to new and
16 extremely efficient world-class stainless flat-rolled
17 facility named North American Stainless and also to be
18 closer to the customers in the Southeast and Gulf Coast of
19 the United States where significant quantities of welded and
20 stainless steel pipe are utilized. This plant has five
21 continuous mills and one batch mill. Three of the
22 continuous mills produce subject merchandise and one product
23 on the batch mill is subject merchandise.

24 The other two continuous mills produce
25 non-subject, stainless steel mechanical tubing. In 2009, we

1 had one new continuous mill in Glasgow to produce ten
2 twelve-inch pipe more efficiently and add one more
3 additional pipe thickness. We have also added new pickling
4 and water treatment facilities, which we just completed in
5 2012 and employs seventy-nine people.

6 North American Stainless is about a two and a
7 half hour delivery truck drive from our Glasgow plant. I
8 think everyone in the stainless industry would agree that
9 this is not only the most efficient stainless flat-rolled
10 plant in the United States but one of the most efficient in
11 the world. It is certainly more efficient than the
12 stainless plants in China. However, its owner Acerinox is a
13 publicly traded company in Spain and operates for a profit.

14 Ninety to ninety-five percent of the cost of
15 stainless pipe is in stainless flat-rolled so there is no
16 explanation for how the imports from India can undercut our
17 prices in the United States by importing twenty percent.
18 Even though stainless steel mills are huge capital-intensive
19 pieces of equipment, it is still a case that overwhelming
20 amount of costs of the stainless steel is in the alloy
21 components of steel, chrome, nickel and millennium.

22 Stainless steel mills in India, just like mills
23 in the United States or anywhere else in the world should be
24 paying the same price for these raw materials, each of which
25 is listed on the London Metal Exchange at very transparent

1 prices. After this, the significant freight cost of sending
2 the product halfway around the world. Once again, we can't
3 understand how producers in India can undercut our prices so
4 much when raw materials account for the vast majority of our
5 overall cost of the final pipe product. Freight costs are
6 significantly higher.

7 We've participated in cases in China in 2008 and
8 against Malaysia, Thailand and Vietnam in 2014.
9 Unfortunately, trading companies like Silbo, which appeared
10 as an importer in both sets of cases, switched their
11 sourcing imports to India. We have seen a tremendous surge
12 of imports from India over the past couple of years. I do
13 not think I could justify keeping the Glasgow plant open
14 even if the products we made there were stainless steel
15 welded pipe including ASTM-A312.

16 We have not laid off any employees but as the
17 production suffers, we've certainly cut back on these
18 employees hours and thus their wages suffer as a result. As
19 a family-owned company that has invested in good equipment
20 and has an excellent workforce, all we ask is that the U.S.
21 Government enforce the trade laws passed by Congress to give
22 our company and its employees a chance to compete fairly.
23 When the competition is fair, I am confident that our
24 company, which has already survived a hundred and seventeen
25 years can continue to reinvest in our plant and in our

1 employees. Thank you.

2 MR. BISHOP: No, Mr. Chairman.

3 STATEMENT OF JOHN TIDLOW

4 MR. TIDLOW: Good morning Mr. McClure and Members
5 of the Commission Staff. My name is John Tidlow and I'm
6 Executive Vice President of Synalloy Metals. This is the
7 larger of two major operations of Synalloy Corporation which
8 was founded in 1945. The other major segment is Synalloy
9 Chemicals, a specialty chemical producer. Within Synalloy
10 metals, we have Bristol Metals which manufacture the subject
11 welded stainless pipe.

12 At Bristol Metals, our business producing the
13 commodity sizes of welded stainless pressure pipe has
14 performed very poorly as distributors continue to use the
15 availability of low-price, unfairly traded imports of welded
16 stainless pressure pipe from India to push down market
17 prices. This contrasts without our profitable specialized
18 business in making larger sizes on press brakes.

19 Within a business like ours, decisions have to be
20 made on allocating capital. No capital outside of
21 maintenance and repair work will be allocated to a division
22 that cannot provide a return on investment better than our
23 other investment opportunities. In fact, in 2012 our
24 company made a significant acquisition of Palmer of Texas, a
25 major manufacturer of tanks and separators for the oil and

1 gas industry and we are currently investing in a new
2 additional press brake for non-subject products of larger
3 sizes with very heavy walls.

4 The U.S. Industry producing welded stainless
5 pressure pipe has more than ample capacity to supply the
6 entire U.S. Market. Therefore, no distributor by Subject
7 Imports instead of Domestic for any reason other than price
8 other than the fact that the importers give them
9 significantly lower prices than Domestic prices. I'm sorry.
10 Our employees have suffered as we have lost production
11 volume and market share to the imports from India.

12 Since September of 2014, Bristol Metals has lost
13 twenty-one USW hourly jobs and more are likely to be lost in
14 the near future without improvements in our market and
15 relief from Indian Imports. Overtime and all extra hours
16 have been cut completely. In fact, we run all of our small
17 diameter mills, the two inch and down mills, one or two
18 shifts per week instead of five or even ten shifts were
19 week. On behalf of all our valued employees in our Bristol
20 Metals Division making the welded stainless pipe in Bristol,
21 Tennessee I ask you to make an affirmative determination.
22 Thank you.

23 STATEMENT OF KRIS PODSIAD

24 MR. PODSAID: Good morning Mr. McClure and
25 Members of the Commission Staff. For the record, my name is

1 Kris Podsiad and I am the Senior Vice President and General
2 Manager of Outokumpu Stainless Pipe located in Wildwood,
3 Florida. We are a division of Outokumpu OYJ. That company,
4 which is one of the largest stainless companies in the
5 world, is a Finnish company that is publicly traded.

6 In the past two years, the company has undertaken
7 one of the largest corporate reorganizations in its history.
8 First, the company acquired the worldwide stainless
9 operations of TK Stainless. That acquisition was effective
10 January 2013 and included a new state-of-the-art integrated
11 stainless facility in Calvert, Alabama. Secondly, the
12 company divested fifty-one percent of its worldwide pipe
13 operations to an investment firm. Our U.S. Operation was
14 not part of that sale and we're still a one hundred percent
15 subsidiary of Outokumpu.

16 I started with the company's Canadian Operations
17 in 2001 and held a number of other positions in the company
18 including time spent in Scandanavia before being sent to
19 Florida to take over the pipe operation in January 2010 as
20 Senior Vice President and General Manager. Our Florida
21 operations have a number of press brakes and rules in order
22 to make pipe through eighty-four inch and outside diameter
23 with wall thicknesses up to two inch.

24 We have been investing in this business because
25 it is a specialty business with very little foreign

1 competition and with primarily sales to specific end-use
2 projects. At our Florida Plant, we now have nine continuous
3 welding mills that make only Subject Products. We
4 permanently decommissioned two mills making under two inch
5 sizes in January of 2013. At that time, we laid off fifteen
6 workers.

7 These small sizes cost much more to produce per
8 ton but mills in India charge the same price per ton
9 regardless of size making it completely uneconomical for us
10 to compete. We've not been investing in this business for a
11 number of reasons. ASTM-A312 is a commodity product that
12 has been subject to intense foreign competition. Our sales
13 improved briefly after duties were imposed against imports
14 from Malaysia, Thailand and Vietnam. Unfortunately, many of
15 our master distributors and smaller distributor customers
16 shifted to buying unfairly-traded Indian pipe. ASTM-A312 is
17 sold only on the basis of price.

18 Imports from India surged in 2014 and 2015 at
19 prices that were fifteen to twenty percent below our prices.
20 We didn't have enough of a profit margin to be able to lower
21 our prices enough to compete with these imports. As a
22 result we were forced to lay off fifteen additional workers
23 in August of this year. The remaining employees have seen
24 work hours reduced to thirty-two hours a week at that time
25 as well.

1 Without relief from these unfairly traded Indian
2 Imports, our small diameter welded stainless pressure pipe
3 business will not survive and we will undoubtedly have to
4 execute plans to shut down those operations and continue
5 only as a customized large diameter producer. On behalf of
6 the employees of Wildwood, I ask you to enforce the laws and
7 give our employees a chance to keep their jobs. Thank you.

8 STATEMENT OF DON BRUNSWICK

9 MR. BRUNSWICK: Good Morning, again, Mr. McClure,
10 and members of the Commission Staff. For the record my name
11 is Don Brunswick and I'm the Vice President of sales for
12 Marcegaglia, USA in Munhall, Pennsylvania.

13 I've been with the company for approximately nine
14 years. Marcegaglia is the last steel plant located on the
15 grounds of the former U.S. Steel Homestead Works. In fact,
16 there is a memorial right next to our building commemorating
17 the famous Homestead strike and the deaths that occurred
18 during that strike. The rest of the former Homestead Works
19 were leveled, had environmental remediation, and have been
20 turned into apartment buildings, restaurants, and a Costco.
21 This is a landmark for the transition of America's economy
22 from manufacturing to services and the consumption of almost
23 entirely imported products.

24 As I will explain, we would like to remain as a
25 viable welded stainless pressure pipe manufacturer in our

1 present facility. Our parent company, Marcegaglia SPA of
2 Italy which is the world's largest welded stainless pipe and
3 tube producer, purchased two U.S. stainless pipe companies
4 in the mid-1990s and combined their operations in our
5 present facility in Munhall.

6 They also rationalized some of those two
7 company's capacity utilizing the best of those companies'
8 welding mills. Since that time, Marcegaglia also invested
9 in upgrading our plant as well as expanding our product
10 range from a maximum of six-inch OD up to 12-inch OD for
11 A312 and A778 products.

12 Unlike the other three U.S. petitioners, we
13 cannot produce larger sizes. That's how it's been stated by
14 my fellow executives on the panel. Since we do not receive
15 government subsidies, our parent company will not subsidize
16 a loss-making subsidiary for very long. If we cannot be
17 sold, and we cannot make a profit, then we will be shut
18 down.

19 I can tell you without any doubt that imports of
20 the subject products from India have had a devastating
21 impact in the marketplace.

22 As the other speakers have told you, these
23 products are sold almost entirely into distribution. Even
24 though they're extremely difficult to make, once a product
25 meets specification, they are a commodity and they are sold

1 only on the basis of price.

2 Imports from India are all priced significantly
3 lower than imports from Korea and Taiwan. Thus they have
4 more of a price effect in the marketplace. In order to
5 maintain operations we are doing everything possible to
6 reduce costs that are under our control. However, our
7 single biggest cost by far is flat-rolled and stainless
8 steel. We cannot control the cost of our steel. Basically
9 all four of the major U.S. flat-rolled and stainless steel
10 producers sell at the same prices. And as you have heard
11 from these mills, one tends to buy from the closest
12 stainless flat-rolled mill in order to reduce inland freight
13 costs.

14 In closing, Marcegaglia, USA and its 135
15 employees in Munhall need your help in making an affirmative
16 determination against dumped and subsidized imports from
17 India in order to keep our plant open and our workers
18 gainfully employed. Thank you.

19 STATEMENT OF HOLLY HART

20 MS. HART: Good morning, Mr. McClure and members
21 of the Commission Staff. For the record my name is Holly
22 Hart and I'm the assistant to the President and Legislative
23 Director of the United Steel, Paper, Forestry, Rubber,
24 Manufacturing, Energy, Allied Industrial, and Service
25 Workers Union, otherwise known as the Steelworkers. We

1 represent the production workers making the subject welded
2 stainless steel pressure pipe at petitioner's Bristol Metals
3 in Bristol, Tennessee and Outokumpu Stainless Pipe in
4 Wildwood, Florida and Marcegaglia in Munhall, Pennsylvania
5 which is just miles from our headquarters in Pennsylvania.

6 The record in these cases shows that imports of
7 welded stainless pressure pipe from India have increased at
8 an amazing rate from just 281 tons in 2012 to 12,101 tons in
9 2014 and further, to 6,734 tons in the first half of 2015.
10 These imports prevented our members from benefitting from
11 the duties imposed against Malaysia, Thailand, and Vietnam.

12 The massive quantities of these dumped imports
13 has already had an injurious impact on our membership.
14 You've heard in the testimony of Mr. Podsiad that this
15 company laid off 15 of our union members in 2012, and laid
16 off an additional 15 workers in August of 2015. Our
17 remaining workers at Outokumpu have been reduced to 32 hours
18 a week, which is effectively almost a 20 percent pay cut.

19 At Bristol Metals, we have lost 21 jobs in just
20 the past year. This industry is now suffering financial
21 losses, which we at the Union only unfortunately know too
22 well as a precursor to companies perhaps exiting an
23 industry.

24 In addition to the direct jobs, as well as the
25 hours and thus the wages that have been lost to these

1 unfairly traded imports in the welded stainless pressure
2 pipe industry, the steel workers represents the workers at
3 stainless flat-rolled facilities at two of the major U.S.
4 producers of stainless steel flat rolled. These companies
5 are Allegheny Technologies and A.K. Steel.

6 The welded stainless pipe industry is a major use
7 of stainless flat-rolled to manufacture the product. Thus,
8 every ton of unfairly traded imports is not only affecting
9 domestic pipe production but is taking away a ton of
10 domestic flat-rolled stainless production. These cases are
11 in many ways a microcosm of the problems with the trade laws
12 in world steel overcapacity that the industry and our union
13 members face every day.

14 In 2009, this industry won a case against China.
15 Then the importer switched sources and the industry had to
16 do cases against Malaysia, Thailand, Vietnam, in 2013. Now,
17 the importers have switched to India. It seems there's
18 always another country with massive over production that
19 importers can switch to. In the meantime American workers,
20 their families, their communities suffer while importers get
21 rich. So on behalf of the workers in the industry we hope
22 you reach an affirmative decision in this case or an
23 affirmative decision. Thank you.

24 MR. SCHAGRIN: Thank you, Holly. This is Roger
25 Schagrín again for petitioners. We have pretty short

1 presentations today as I think the staff is going to realize
2 the facts in this case are quite clear cut. As you have
3 heard, there's always two sides to every story and you'll
4 hear from Ms. Mendoza and the group later today, their side
5 of the story. In fact, you don't have to listen to it later
6 today because you've already heard it at the Commission both
7 from Julie and Donna like when Mr. McClure said, "it's d j
8 vu all over again. It's not only been 35 years that I've
9 been doing this with Don and Julie and with Mr. McClure, but
10 it seems like the past six months we've done this every two
11 weeks. And it's always the same old story, it's not
12 imports, it's always the whole problems with the domestic
13 industry or falling input costs. And the surging imports
14 don't matter and the inventories of imports don't matter.
15 There's always other excuses. Today I guess you'll hear
16 about non-subject imports and we'll address those both
17 during the conference and in the post-conference brief.

18 But it ought to be a fairly short day from our
19 perspective. It's a very, very clear and overwhelming
20 record for a preliminary affirmative determination. And at
21 this point we'd be happy to answer the staff's questions.
22 Thank you.

23 MR. McCLURE: Thank you, Mr. Schagrin. We will
24 begin the questioning with our investigator Joanna Lo.

25 MS. LO: Hi, thank you all for attending this

1 conference. It really helps me understand. I had an
2 overall question over non-subject imports which Mr. Schagrin
3 touched on. So the existing orders on China, Malaysia,
4 Thailand, and Vietnam are the same scope, but on Korea and
5 Taiwan it's slightly different. So the volume coming from
6 Korea and Taiwan which Ms. Hart had already mentioned too,
7 are they the A77, A778, that's out of the scope or do you
8 know the distinction? I'm just trying to understand the
9 discipline of the existing orders and how it's affecting the
10 domestic industry.

11 MR. SCHAGRIN: I'll start as an attorney because
12 I probably know more of the details of the scope than the
13 industry folks. So, yes, the cases that were filed in 1991
14 by a different law firm which didn't do scope as broadly as
15 Mr. Schagrin does, not to talk about myself in the third
16 person, but I like broad scope. And so, why they did what
17 they did, I have no idea. But they did it just for one
18 specification, ASTM A312. So for both Korean and Taiwanese
19 firms, the less popular product by volume just because it's
20 applications are more limited than the ASTM A312 is excluded
21 from the orders against Korea and Taiwan. So A77A would
22 come in from those countries without any dumping duties.

23 In addition, as to the order against Taiwan, in
24 approximately 2000, Taichung, the largest producer in Taiwan
25 was excluded from the order. However, like all order

1 exclusions under an understanding with a letter to be filed,
2 that if they resume dumping, that exclusion would end.
3 There has been no allegation that Taichung has resumed
4 dumping between 2000 and 2015. And we would in fact differ
5 with the analysis given by Ms. Mendoza that imports from
6 Taiwan are priced lower than imports from India. In fact,
7 we think when you look at the import data over the three and
8 a half years of your POI, you're going to see that the
9 average unit values on imports from Taiwan are significantly
10 higher than the AUVs from India.

11 And, finally, as to Korea, all Korean producers
12 which today means two, because there are essentially just
13 two Korean producers are subject to duties on ASTMA312. One
14 of those producers is a fairly new producer that is being
15 subject to an administrative review for the first time and
16 the other which is, Sayah is also subject to review. And we
17 expect preliminary duties in early to mid-November on a
18 current review. It's a matter of public record that the new
19 Korean producer refused to participate in the review. So,
20 certainly, as to them, the duties will go up significantly.

21 So we think that the -- like all dumping orders,
22 they do provide some price discipline in the marketplace and
23 in this case only as to ASTMA312 from Korea, not as to A778.
24 I hope that answers your question.

25 MS. LO: Thank you. I want to get on the record,

1 how easy is it for not Marcegaglia, but the other three
2 folks to switch between the subject and the non-subject
3 pipes?

4 MR. HENDRICKSON: David Hendrickson, Felker
5 Brothers Corporation. As I said in my testimony, we have
6 five continuous mills in North Marshfield. Two of those
7 mills makes non-subject material, tube size, three, four and
8 six, and eight, ten and 12. So they can't make the sizes
9 that are the A312. The other mills make the A312, three,
10 four, six, eight, ten, 12 and 14-inch in the batch mill a
11 neo product. So it's just we can't switch from mill to
12 mill. One mill has a range of sizes and thicknesses it can
13 produce. So of the five continuous mills, three of them
14 produce subject material. Two of them non-subject material
15 and my batch mill, one size on there is part of the subject
16 material.

17 MS. LO: So really no switching? Okay.

18 MR. TIDLOW: This is John Tidlow from Bristol
19 Metals. Our facility has eight continuous mills, all eight
20 of the mills produce the subject product. We cannot switch
21 them to any of the non-subject materials in any way, shape
22 or form.

23 MR. PODSIAD: Kris Podsiad, Outokumpu Stainless
24 Pipe. The same situation for us. Our continuous mills are
25 exclusively making the subject material and we can't switch

1 back and forth to other products.

2 MS. LO: Thank you. That's helpful except that
3 in some of the data submissions it seemed unclear that -- it
4 seemed -- well, I'll discuss with counsel after if it's EPI,
5 business sensitive. Thanks.

6 Oh, you touched on end-use a bit. And I just
7 wanted to understand, has the oil and gas industry increased
8 as demand for this pipe during POI?

9 MR. SCHAGRIN: It did it until it started
10 collapsing. Yes. I mean, you had a significant increase in
11 demand from oil and gas as one of the several drivers of
12 demand. And, of course, as oil prices and drilling have
13 collapsed, that has impacted demand for this product. Other
14 areas demand continues to grow whether it be refineries or
15 some petrochemical or some water treatment in some ways
16 depends on government funding. But there's a bunch of
17 demand drivers, but oil and gas is an important demand
18 driver and certainly a reduction in the oil and gas activity
19 has had a negative impact on demand.

20 Would anyone like to add anything? John?

21 MR. TIDLOW: This is John Tidlow from Bristol
22 Metals. We sell our product pretty exclusively through
23 distribution. So where the end-use market is and how it's
24 broken out is kind of cloudy to us. We don't have very good
25 data on it. We obviously sell into the oil and refinery

1 business. But we also sell into beverage, petrochemical,
2 chemical, water, pulp and paper.

3 As it goes down -- as the oil price goes down and
4 new buildings are not put up, new capX is not spent, so
5 there has been an effect. I cannot measure how big that
6 effect is.

7 MS. LO: I guess I'm trying to get at, in 2014
8 apparent consumption increased pretty significantly in the
9 U.S. I'm just trying to understand if you had an idea of
10 where that would be from?

11 MR. PODSIAD: Kris Podsiad, Outokumpu Stainless
12 Pipe. Yeah, we, as John said, we also sell through
13 distribution. But definitely 2014 was believed to be due to
14 the expansion in the oil and gas segment. And that was
15 anticipated to continue in '15, but as Mr. Schagrin said,
16 with the decline in oil prices that has impacted
17 particularly non-subject material. The larger diameter
18 pipes where capital projects have been postponed or put on
19 hold. The smaller pipes that are subject material are
20 usually used for MRO or maintenance and that's -- we don't
21 really have good visibility of that because it goes through
22 the distribution channels.

23 MS. LO: Thank you. That's helpful.

24 I think that's all the questions I have.

25 MR. McCLURE: Next to question will be Charles

1 St. Charles from the Office of General Counsel.

2 MR. ST. CHARLES: I have no -- I have no
3 questions. I do want to thank you very much for your
4 testimony.

5 MR. McCLURE: Next from the Office of Economics
6 will be Amelia Preece.

7 MS. PREECE: Thank you. I'm not that different
8 from Jim in that I just was here a few years ago on the
9 previous case. So I guess my first question is, in the
10 market as far as factors -- are there any factors that I
11 can't sort of say, oh, you know, demand looks kind of -- is
12 in the same range of things, supply is similar to the last
13 case, or should I be saying, oh, this is changed, besides,
14 of course, the imports. We understand there have been
15 shifts in imports. But I'm just trying to get a -- is there
16 anything you would like us to know about the industry, how
17 it has changed since we were last here a few years ago?

18 MR. SCHAGRIN: Only the source of the imports
19 have changes, Ms. Preece. The domestic industry is similar,
20 the uses of the product are similar, the product goes
21 through distributors. I think as you'll learn in this case,
22 because you have two master distributors on the next panel,
23 these master distributors who in turn sell to large numbers
24 of smaller distributors they choose whether to buy domestic
25 material or import material and they will, it seems, always

1 choose to buy available import material at a lower price.
2 And that's what we've seen in this commodity product area
3 shifts in source of imports. And, of course, you know, we
4 don't wish any ill of any of these master distributors or
5 all the other people who sell just imported products in the
6 United States, they are free to buy imports as much as they
7 want as long as they're fairly traded. But they don't have
8 any legal right to buy dumped and subsidized imports, and
9 the industry has the right to bring cases to demonstrate
10 that those imports are dumped and subsidized and are
11 injurious. But I think you hit it on the head, the only
12 thing that's different between this case and the last case
13 besides the size of the import surge is the source of the
14 imports.

15 MS. PREECE: Okay. So if we use the information
16 we received in the hearings and conferences, I shouldn't
17 find anything to contradict that general area, you know.
18 Obviously it will be in the reports, but I'd like to have
19 you tell me if there's anything that I couldn't use or
20 shouldn't use from the previous hearing and conference in
21 this -- in this -- this go round?

22 MR. SCHAGRIN: Not only has only the time
23 changed, I don't even think any of the arguments have
24 changed. The respondents today just in their opening
25 statement made almost identical arguments to the arguments

1 made in the Malaysia, Thailand, Vietnam case and the
2 arguments made in the China case. It's always just about
3 nickel and malivdinum, it never has to do with any
4 competition between imports of a product made to the same
5 specifications of the domestic industry. That must be hard
6 for an economist to believe that, you know, 12,000 tons from
7 200 tons of imports from India of what must be largely
8 ASTMA312 product in the same ODs and sizes as product the
9 domestic industry would make would have no impact. The
10 massive inventories of Indian product, you can ask some of
11 these producers here, if they walk in to just a
12 distributor's yard today, they will see much more inventory
13 of Indian welded stainless pressure pipe than they will of
14 domestic industry welded stainless steel pressure pipe in
15 the distributors' yards. So I think the idea of arguing
16 from an economic perspective in spite of obviously strong
17 correlations between input costs and finished product costs
18 no one can deny that there's correlations between those.
19 But those correlations don't remove the causation of imports
20 on the domestic industry's volume, prices, and
21 profitability. So it's -- I hate to say it because
22 obviously we're paid a lot to do new cases. But it's the
23 same old story.

24 MS. PREECE: Okay, and in the previous case I
25 nagged at you in the conference about cost shares and there

1 are no--I would not get any difference in cost shares--that
2 is to say, the cost of welded stainless steel pressure pipe
3 in its uses in a factory, in producing a factory and
4 repairing a factory, than was provided in the previous
5 conference.

6 MR. SCHAGRIN: I would agree. Even though this is
7 a very expensive product--It's Roger Schagrin--even though
8 there's a very expensive product, its cost in terms of a
9 pulp and paper plant, a petrochemical plant, a chemical
10 plant, a food processing--it's a very small cost of putting
11 up these gigantic manufacturing facilities.

12 MS. PREECE: Thank you. I'm going to, if you
13 don't mind--are you going to pass it to--it'll pass it to
14 Andy Knipe.

15 MR. KNIPE: Thanks, everyone, and thanks to you
16 all for being here. It's nice to see you again. I wasn't
17 here a few years ago, so I do have a couple of questions.

18 We get a general idea from your questionnaire
19 responses about the usage of pressure pipe, but not a very
20 good idea about the breakdown in terms of the percentage of
21 end-use segments.

22 So who are the biggest users? And who are
23 relatively small users?

24 MR. TIDLOW: The largest users would be in the
25 oil, gas, chemical, and petrochemical. The smallest users

1 would be in the beverage and in the pharmaceutical. And you
2 would then have, in the middle you would have pulp and paper
3 and waste water and mining. That would be our perspective.
4 I don't know if anybody else on the panel--I'm John Tidlow
5 from Bristol Metals.

6 MR. McCLURE: I only come down on lawyers.

7 (Laughter.)

8 MR. McCLURE: Jim McClure, by the way.

9 MR. KNIPE: Okay, can we go back to the demand
10 point? So we see that--I'm trying to get a better idea
11 about what's driving demand. Ms. Lo asked it a little bit,
12 but if the biggest consumer is oil and gas, we see a drop in
13 the price of oil and gas. It increased in 2014, a pretty
14 significant spike in apparent consumption in the U.S.

15 The price didn't drop, I'm hearing from our
16 industry analysts, it didn't drop until the end of 2014.
17 And this may be something you can talk about now, or you can
18 put it in a post-hearing brief, but I would like to dig a
19 little deeper about what you think the drivers of demand and
20 the drivers of the increase in apparent consumption would
21 be.

22 MR. SCHAGRIN: Roger Schagrin. I'd make two
23 points, Mr. Knipe.

24 First, 2014 until the very end of the year was a
25 very strong year for the oil and gas industry. So that

1 would have helped drive demand.

2 But secondly, the Commission gets data and looks
3 at apparent consumption based on imports plus domestic
4 shipments, and doesn't adjust them for changes in inventory.
5 So certainly when you see--and it's a lot of the reason that
6 2014 looked good for the U.S. industry, early in the year
7 duties started significantly reducing the imports from
8 Malaysia, Thailand, Vietnam. That presented more
9 opportunities for sales for the U.S. industry into
10 distribution.

11 You're going to see, if you looked at imports
12 from India on a monthly basis, a massive surge at the end of
13 2014. So that makes it look like there's a lot of extra
14 consumption in 2014, but we would suspect because all of
15 these products initially go into master distributors'
16 inventories that that big surge of imports in the fourth
17 quarter of 2014, a lot of that probably went into master
18 distributor inventories and wasn't immediately consumed.

19 Of course you're going to get at this preliminary
20 stage information on inventories held by importers. You're
21 probably not going to see a lot of the Indian product
22 showing up in importers' inventories. You won't get
23 information on the purchasers' inventories until the final.

24 And the biggest purchasers are a half a dozen
25 nationwide master distributors. You have two of the

1 middle-sized ones of those, and I guess you can ask them
2 questions about did you have a lot of, you know, inventory
3 of Indian product at the end of 2014? Or did you buy it all
4 and resell it the next day after it arrived? They would
5 know the answers to those questions. We wouldn't, and
6 unless they're importers, if they're just master
7 distributors buying from importers or brokers, they're not
8 going to give you questionnaire responses at this stage of
9 your investigation.

10 MR. KNIPE: Okay. Thank you. Anyone else?

11 MR. BRUNSWICK: Good morning, Mr. Knipe. Don
12 Brunswick, Marcegaglia USA. Just to touch base a little bit
13 more on what Roger was saying, you're correct in the
14 analysis of energy oil and gas, specifically in the Gulf
15 Coast where demand was very good in 2014, and demand
16 weakened when prices fell.

17 What we can't overlook is once prices fell, you
18 don't have a U.S. domestic industry supplying them, a
19 majority of that pipe, to respond, or rebound, or react to
20 that significant drop in demand, and instead you had a
21 continuous import of Indian product which saturated the
22 market for some time.

23 So when you have a saturated inventory in the
24 market, then that cuts off supply chain from domestic pipe
25 suppliers.

1 MR. KNIPE: Okay. Thank you.

2 I just have one more question. I know that there
3 are different methods for welding. There's I think tungsten
4 inert gas, there's plasma, there's laser, and it was
5 mentioned that laser can yield a greater output, or greater
6 speeds. And I'm wondering if that translates to cost
7 differences.

8 MR. HENDRICKSON: David Hendrickson,
9 Felker Brothers Corporation. As I stated in my testimony
10 earlier, if you look at the production of stainless steel
11 pipe, most of the cost is in the material, 90, 95 percent.
12 It could be up as high as 98 percent with the 14-inch. Your
13 speed on your line, does that improve your time? Yeah, but
14 the handling cost, the loading of the coils on there, the
15 unloading, the pickling, that's not going to be affected
16 whatsoever by that.

17 So I would say that there is no significant
18 improvement in cost by different welding operations. There
19 may be a little difference in quality, as far as the ability
20 to weld different thicknesses and different diameters on
21 certain pieces of equipment, but as far as the cost savings
22 I would say there's not a significant difference. I mean,
23 material is everything.

24 MR. PODSIAD: Kris Podsiad from Outokumpu Pipe.
25 We only tig weld. We don't do any laser. We did have some

1 of our sister companies in Europe who did laser weld. The
2 challenge with that: Yes, you can get a higher speed, but
3 you can only do thin wall. So anything above what we're
4 going to say Schedule 10S, you're going to have a very
5 difficult time getting penetration with the laser welding.

6 And I'm sure Don from Marcegaglia could probably
7 add more on that because they do laser weld.

8 MR. BRUNSWICK: Sure. Again, Don Brunswick,
9 Marcegaglia. We tig, tig plasma, laser, and high-frequency
10 weld. No high-frequency in the Subject Product, though. On
11 laser mills, once we get up to larger or heavier
12 thicknesses of walls, your line speed is slowed down so
13 significantly that it's comparable cost to a tig weld.

14 The only advance of a laser mill, again, as Kris
15 pointed out, is when you have thinner walls you can take
16 advantage of the speed.

17 MR. KNIPE: Okay. Mr. Hendrickson mentioned some
18 quality differences. Is one welding method, does it
19 typically produce a higher quality than others? How do
20 those rank?

21 MR. HENDRICKSON: David Hendrickson, Felker
22 Brothers Corporation. It depends on your mill, and
23 diameter, and thickness ratio that you have, which welding
24 operation is your better overall welding process.

25 And it really has a lot to do with the experience

1 of the welder. You know, some welders we have a lot of
2 experience that can weld with several different processes
3 and have very little quality differences. Some welders who
4 are new have to learn the new processes.

5 So what we try to do is to identify the best
6 process that covers the people we have there to get the best
7 quality. Because you want to yield as much good pipe out of
8 coil as you possibly can because material is everything. So
9 we have isolated each one of the mills and looked at--and we
10 do mostly tig welding. We do a little bit of plasma, but we
11 do mostly tig welding on our mills. And we've found out
12 that is the most successful way to weld stainless at the
13 highest yield, and yield is everything like I said earlier.
14 You have to yield good pipe. Because any kind of savings
15 you have at a few inches a minute is going to be gone with
16 one piece of pipe.

17 MR. PODSIAD: Kris Podsiad, Outokumpu. Further on
18 that, our European mills that ran very high-speed laser
19 welding ran into the issue that Dave was talking about. You
20 can make a heck of a lot of pipe very fast with laser
21 welding, but you can also make a lot of scrap, and very
22 fast.

23 So we know--we had an opportunity to expand the
24 laser welding in the United States a few years ago, the
25 company was going to transfer that equipment here, and we

1 declined it because--for that reason.

2 MR. KNIPE: Okay. That's it for me. Thanks,
3 everyone.

4 MR. McCLURE: The next questioner will be Jessica
5 Pugliese from our Office of Industries.

6 MS. PUGLIESE: Okay. I just had a question about
7 some of the industry events for the other companies,
8 nonpetitioners, and if anyone had any information on the
9 status of Rath Gibson and how they're performing, or their
10 level of production.

11 MR. TIDLOW: My name is John Tidlow from Bristol
12 Metals. We see Rath Gibson and another company, Webco, in
13 and out of the markets. They are very small players in the
14 market. They come in when the market is better and there's
15 opportunities to make money, and they exit during other
16 periods. We have not seen either Webco or Rath, which were
17 the probably two biggest nonpetitioners, but still very
18 small in scale. In the last year, more as far as I know.

19 MS. PUGLIESE: Okay. Thank you. I have one more
20 question. I'd just like to know about, if you have any
21 knowledge of any third-country ADCBD Orders for India.
22 Maybe--

23 MR. CLOUTIER: Whatever--this is Christopher
24 Cloutier of Schagrin Associates. I am not familiar with any
25 anti-dumping or countervailing duty orders on Indian

1 product.

2 MS. PUGLIESE: Okay, that's all.

3 MR. McCLURE: Ms. Lo has another question.

4 MS. LO: Hi. I just want to follow up with
5 Jessica's question, Ms. Pugliese's. Besides Rath Gibson and
6 Webco, there's a third, Alaska Copper. I just want to
7 understand the relative size. I've been working trying to
8 get questionnaire responses, of course, but just so we know
9 from you guys the experts what the relative size would be.

10 MR. TIDLOW: This is John Tidlow from Bristol
11 Metals. We were discussing that yesterday, and our best
12 understanding of Alaska Copper is that they don't make a
13 very--most of the product that they make is nonsubject
14 product. So it should be a very minor portion of this
15 market.

16 MS. LO: Would you say it's even smaller than
17 Webco and Rath Gibson, market percentage-wise?

18 MR. TIDLOW: In any given year it's higher or
19 lower, but normally I would say, yes.

20 MS. LO: Thank you, very much.

21 MR. McCLURE: Ms. Pugliese.

22 MS. PUGLIESE: Thank you. The Monhall,
23 Pennsylvania, upgrade, is that--does that pertain to Subject
24 Product for Marcegaglia?

25 MR. BRUNSWICK: Don Brunswick, Marcegaglia.

1 Truthfully speaking, there's not been any significant
2 upgrades recently.

3 MS. PUGLIESE: Okay. I thought you said there was
4 a recent upgrade for 6-inch up to 12-inch?

5 MR. BRUNSWICK: That was done in '99-2000.

6 MS. PUGLIESE: Oh, okay. Great. Thank you.

7 MR. McCLURE: Back to me. Just a couple of
8 housekeeping things with regard to Domestic Like Product,
9 Mr. Schagrin, Mr. Cloutier, you have obviously--you believe
10 the Like Product should be coextensive with the scope of the
11 petitions. If there's anything you need to add to that in
12 the post-conference submission, fine. Likewise, to
13 Respondents, and also if there--if you believe there are any
14 Related-Party issues in this, pop that into the
15 post-conference submission.

16 Otherwise, I don't have anything. I want to
17 thank all of you for coming down. You certainly have earned
18 frequent flyer miles over the years going back and forth to
19 Washington, and thanks to Roger for all the years.
20 Certainly you've helped keep the Commission's doors open, as
21 have Ms. Mendoza and Mr. Cameron.

22 Anyway, thanks. I want to take--

23 (Off-microphone comment.)

24 MR. McCLURE; That does sound good. Anyway, let's
25 break till 10:40. That's seven minutes by the clock on the

1 wall, and then we will hear the Respondents.

2 (Whereupon, a recess is taken.)

3 MR. BISHOP: Mr. Chairman, the Panel In Opposition
4 To The Imposition of Antidumping and Countervailing Duties
5 have been seated. All witnesses have been sworn.

6 MR. McCLURE: And now for the last time, welcome
7 to Mr. Cameron and Ms. Mendoza.

8 STATEMENT OF DONALD B. CAMERON

9 MR. CAMERON: Jim, we're going to miss you. Don
10 Cameron, along with Julie, on behalf of Respondents.

11 I just have a couple of brief things that I would
12 like to say before I turn it over to Julie, who as usual
13 knows much more about this than I do. But that's been the
14 story of my life, anyway, right?

15 So but, you know, Ms. Preece asked a very good
16 question. And she said: So what's different now from the
17 last case? And Petitioner said: Absolutely nothing.

18 Well that's an interesting answer. We would
19 agree with the Commission and with the tenor of the question
20 that in terms of the conditions of competition that have
21 been analyzed by this Commission repeatedly in previous
22 investigations, those conditions of competition are what
23 prevails.

24 So we don't disagree with that aspect of the
25 response. But what has changed? Oh, well I don't know,

1 prices went up sharply. I'm not talking about just imports.
2 I'm talking about domestic industry prices. They went up
3 sharply in 2014.

4 Profits? Oh, that's right. Profits are
5 relevant. Profits improved dramatically. That was actually
6 something that the Commission looked at in the last
7 investigation, and it wasn't there. But it certainly is
8 here during this Period of Investigation.

9 Demand? Demand increased significantly during
10 this period. And the under-selling by imports--I mean after
11 we get finished with the sturm und drang from Petitioners,
12 actually is significantly less than there was in the
13 previous investigations.

14 So from our point of view, yes, there are some
15 key differences between the investigation you're looking at
16 today and the investigation that you had before. We grant
17 you that there are new imports, new import substitution, but
18 the conditions of competition and the conditions of the
19 domestic industry was dramatically different.

20 One other thing I'd like to add. You know, it
21 has been observed by many Commissioners and many people,
22 staff, in previous investigations that the concept of pipe
23 capacity is what one would call an elusive concept. And it
24 is very difficult to get a grasp on it.

25 The only thing I would like to suggest to you is

1 that when people calculate capacity based on, I don't know,
2 24/7, 5 days a week, things like that, I mean there are many
3 ways to calculate capacity, but this Commission really ought
4 to ask when they look at the capacity as calculated by the
5 Petitioners. You ought to ask them how many times in the
6 past 5 years, or 10 years they've ever achieved anything
7 close to that.

8 I mean, what exactly are we talking about? We
9 heard today that, well, you know, we run, you know, one
10 shift. Okay, well I mean are we really saying that this is
11 a steel mill where you've got furnaces that require 24/7, 7
12 days a week? No. These are pipe mills. These are pipe
13 mills that manufacture products using raw material
14 inventory, and they don't occupy anywhere near that time and
15 that capacity.

16 So I mean I think that these tales of
17 under-utilized capacity in this industry is something that
18 the Commission at least, at least has a right to ask them in
19 terms of how they calculate that capacity. Because, I mean,
20 some of these numbers are fantastical.

21 Anyway. Julie?

22 STATEMENT OF JULIE C. MENDOZA

23 MS. MENDOZA: Julie Mendoza. I would just like to
24 add that, you know, obviously in every pipe case, steel
25 case, there are certain factors that the Commission must

1 consider. And to that extent of course there's an overlap.

2 I would agree with Don, however, that, you know,
3 it's very unique during this period that you saw such a big
4 increase in 2014 in terms of profits and prices and all
5 that. And then that you saw such a dramatic decline in
6 nickel prices from 2014 to 2015, and you'll see as we walk
7 through the exhibits.

8 And I think the other thing our witnesses would
9 like to add is that--and they dealt with imports from
10 Taiwan, and Vietnam, and Thailand, and--I'm sorry, Thailand,
11 Malaysia, and Vietnam, is that the Indian imports frankly
12 are just a lot less competitive than those imports were.
13 They just face many more obstacles to the importation from
14 India. But I'm going to let them talk about that from their
15 personal experience.

16 So we'd just like to walk through these, what
17 could be slides but in my hands are not, we've just handed
18 them out and we'll walk through them rather than put them up
19 on the board.

20 So our first point is that rising nickel prices
21 have always allowed the U.S. industry to raise prices and
22 increase its profits. This chart is based on the China
23 case. So these values are all public. These are all taken
24 from the figures that were in the Commission's report on
25 China.

1 And as you can see, the profits reached their
2 peak in January to September of 2007 when in fact nickel
3 prices also saw their peak.

4 The next slide is taken from the Malaysia,
5 Thailand, and Vietnam case. In this case you have the
6 scenario of falling nickel prices over the Period of
7 Investigation. In 2011 the industry had a profit of 3.7
8 percent. It fell thereafter every year, 2012, 2013, until
9 2014.

10 Then the next--so the next slide summarizes
11 what's happened to nickel prices and what's happened profits
12 for this industry since 2012.

13 Obviously this is our POI, so the data is
14 confidential, so all we've done is showed trends. Nickel
15 prices fell in 2012 and the U.S. industry lost money.
16 Nickel prices fell in 2013 and the U.S. industry lost money.

17 Nickel prices increased in 2014 and the U.S.
18 industry was profitable. So it's no surprise when, once
19 again, nickel prices fell in the first half of 2015 and the
20 U.S. industry lost money. In fact, we'll see that that
21 decline was particularly dramatic.

22 Slide 4 shows Nonsubject Imports are greatly
23 dwarfed--I'm sorry, Subject Imports are greatly dwarfed by
24 Nonsubject Imports. You can see the red line is Korean,
25 Taiwan. The blue line is India.

1 We would just note that the Commission asked
2 about the difference in the scope between the Korean and
3 Taiwanese case and this case, specifically the exclusion of
4 778, and we would note that--our witnesses can talk about
5 it--but there's not a whole lot of difference between 778
6 and 312. It's basically the same product, except that the
7 778 goes through heat treatment.

8 So we have every reason to believe--and some
9 other processes--we have every reason to believe that the
10 imports from Taiwan and Korea certainly do include these
11 other products and are not subject to the case. And as you
12 know, Ta Chen is not subject to the order on Taiwan. So as
13 you can see, over the period those imports were much greater
14 than Subject Imports.

15 The next slide shows what was happening to
16 Subject Imports during the part of 2015. I mean, our
17 position is that if you look at 2014 and you look at how
18 well the industry did in 2014, and that was the year when
19 imports increased, then the focus has to really be on 2015.

20 So if you look at 2015, you can see that in fact
21 Subject Imports were declining, declining both absolutely
22 and as a percentage of Nonsubject Imports.

23 The next slide concerns profits. And as you can
24 see here, obviously we've indexed operating margins because
25 they're confidential, but as you can clearly see here there

1 is a very--there is virtually no correlation between imports
2 from India and domestic industry operating margins. You can
3 see that when imports were at their highest point, so were
4 industry operating margins.

5 The next slide concerns price changes and shows
6 that those price changes using product categories 1 through
7 4, that those price changes are not correlated to Subject
8 Import volumes. Look, for example, the red line shows you
9 product pricing for Product 1. As you can see there, prices
10 went up in the third quarter of 2014, stabilized in the
11 second quarter of 2014, and stayed pretty much at the same
12 level in the first quarter of 2015.

13 It wasn't until the second quarter of 2015 when
14 imports from India were declining that pricing began to
15 decline as well because demand fell and nickel prices
16 plummeted. Basically you see the same trend with pricing
17 Product 2. You don't see those--pricing between the fourth
18 quarter of 2014 and the first quarter of 2015, pretty flat.
19 Then it plummets in the second quarter of 2015, just as
20 nickel prices did.

21 The same for Product 3. In fact, you can see,
22 although there's a brief dip that you didn't see in the
23 other products in the fourth quarter of 2014, it is clear
24 that the big decline is in the second quarter of 2015.

25 And again, this is all based on index data. So--

1 and then for Product 4, it's exactly the same trend
2 (indicating). Okay, so the last correlation chart is price
3 changes are correlated to nickel prices, which was kind of
4 where we started.

5 And you can see in this chart exactly what we're
6 talking about here. You see U.S. prices increasing in the
7 first half of 2014. Nickel prices increasing in the first
8 half of 2014.

9 The following slides confirm--or show what
10 happened on a monthly basis in 2015 to imports, or average
11 unit value of imports from India versus Korea and Taiwan.
12 As you can see in the yellow shaded area, after March Korean
13 and Indian--Korean prices dropped below Indian prices. And
14 after April, Taiwanese prices drop below Indian prices.

15 So this is the period, you'll recall, when prices
16 were dropping there most dramatically over the period. And
17 yet, average unit values for India are higher than either of
18 the two Nonsubject countries.

19 The next slide--I'm sorry, am I moving too
20 quickly? Do you want me to wait? No? Okay. The next
21 slide is U.S. imports for consumption on a monthly basis
22 again, January. And we included August because August data
23 is available. Obviously our period ends at June,
24 conveniently, but as you can see the data is available,
25 actually, through August. So for purposes of threat, we've

1 shown it all the way through August.

2 And there again, you can see what happened.
3 Indian Imports begin to fall, and fall pretty dramatically
4 in May, June, July, and in August they're at 379 tons
5 compared to where they began at 1,559 tons.

6 Compare that to Taiwan. Taiwan actually ends the
7 period at 1,928 tons in August, compared to 1,200 tons in
8 January. And remember, it's the second quarter of 2015 when
9 you start to see those price declines.

10 The next slide is just for purposes of putting in
11 all of the data. The last slide shows you--and again this
12 was something else that we were emphasizing about the
13 dramatic difference between the case involving Thailand,
14 Malaysia, and Vietnam in this case. And that is, this is
15 the London Metal Exchange prices from September of 2014 to
16 September of 2015.

17 Oh, you don't have this? I'm sorry. Okay.

18 (Off-microphone comment.)

19 MS. MENDOZA: Sorry about that.

20 MR. McCLURE: It was actually a test to make sure
21 we were paying attention.

22 (Laughter.)

23 MR. McCLURE: I would point out, it is a nice
24 Kansas City Royals shade of blue.

25 MS. MENDOZA: We did that deliberately. Who are

1 the Kansas City Royals, again?

2 (Laughter.)

3 MR. McCLURE: Soon to be the American League
4 Champions.

5 MS. MENDOZA: Okay, so the last slide concerns
6 the price of nickel beginning in September of 2014 and
7 ending in September of 2015.

8 When I showed this slide this morning to our
9 witnesses, Chad told me, you don't need to show this to me.
10 I've got this cemented into my brain. I know exactly what
11 happened because I can never forget it, right?

12 So basically what this shows I think is that
13 there was a very profound difference during this Period of
14 Investigation from that of the previous case, even though
15 the factors that were considered obviously are common
16 factors and all were at work in both cases.

17 Now I'll turn it over to Mr. Lipp to explain a
18 little bit about his business and his perspective on the
19 market.

20 STATEMENT OF ALAN LIPP

21 MR. LIPP: Good morning. I am Alan Lipp, and I
22 serve as the Chief Operating Officer of Merit Brass Company.
23 I have been with the company for more than 30 years.

24 Merit is located in Cleveland, Ohio, with
25 branches in Sparks, Nevada, Dallas, Texas, and Birmingham,

1 Alabama. Merit Brass was founded by my grandfather in 1937
2 as Perfection Nipple Company.

3 Merit Brass has manufactured in the U.S.
4 high-quality brass and chrome-plated brass pipe nipples for
5 much of our existence. In 1980, we began manufacturing
6 stainless steel pipe nipples.

7 Merit Brass employs over 200 people. Merit is
8 also a master distributor of stainless steel pipe. In this
9 capacity, Merit Brass serves wholesale distributors of
10 stainless pipe for the plumbing, heating, cooling, and
11 piping markets.

12 MR. LIPP: As a master distributor, we stock a
13 complete line of stainless pipe in a wide variety of sizes,
14 as well as fittings, flanges and valves. Merit Brass both
15 imports stainless pipe and purchases stainless pipe from
16 domestic producers. Merritt is somewhat unique in the
17 business because we are not only, we not only master
18 distribute stainless pipe, but we are a U.S. manufacturer
19 and a master distributor of nipples from stainless pipe.

20 The market for welded stainless steel pipe has
21 grown significantly over the last twenty years. Domestic
22 supply has not kept up with demand. As a result, imports
23 are needed in this market, and if you look at the data over
24 time, imports have always played a consistent and important
25 role in this market.

1 Our imports are primarily concentrated in the 2-inch
2 and under segment. In general the market is divided between
3 master distributors that import and sell a full line of stainless
4 steel pipe and related piping products, including butt weld
5 fittings, threaded pipe fittings, nipples, flanges and
6 valves to wholesalers and domestic producers of stainless
7 pipe that sell to the wholesale market, as well and often
8 through, dedicated distributors who handle only domestic
9 product.

10 We purchase stainless steel pipe from U.S.
11 producers, but they are not our primary source. We rarely
12 compete for the same customers with U.S. producers because
13 they tend to supply bigger distributors while we tend to
14 supply smaller and midsize distributors.

15 There is an import segment of the market and our
16 major competitors are Ta Chen and other master distributors
17 such as Allied Fittings and others who deal primarily in
18 imported pipe.

19 We occasionally need domestic pipe to fill orders
20 that require domestic only, but we don't focus on that
21 segment of the market. And purchasers in this market do not
22 generally look to Merit to fill their needs.

23 The market segments that insist on domestic only
24 do so, either out of concerns about quality or for political
25 reasons in the case of projects that are funded with public

1 funds, or that rely on unionized labor.

2 Again, purchasers in those markets look primarily
3 to domestic producers and their dedicated distributors for
4 supply. Merit Brass only recently began importing welded
5 stainless pipe from India.

6 Until 2013, we filled our import needs with
7 imports from Thailand, Malaysia and Vietnam. We all but
8 stopped importing from those countries as a result of the
9 trade actions. We then turned to India.

10 Our experience with India was significantly
11 different from our experience with Thailand, Vietnam and
12 Malaysia. In the case of India, orders were consistently
13 delayed with the result that we had to hedge against
14 missed deliveries.

15 Misdeliveries is a widespread problem in India.
16 Whatever the reason, it also means that we need to accept
17 greater amounts of inventory. There have also been quality
18 control issues. We need imports from India in order to
19 service our business. The quality we now receive from India
20 is adequate, but there is no question that delays and
21 logistics are a huge issue in importing from India.

22 We need to factor significant delays into our
23 purchasing in order to ensure that we have adequate supply
24 available. Even with these delays, however, we purchase
25 from India because we need supply.

1 The effects of these delayed shipments can be
2 seen in the import data. Many of the shipments that entered
3 in January through May of 2015 were actually ordered in the
4 first half of 2014, or even at the end of 2013, when the
5 market was strong.

6 With respect to prices, the primary driver of
7 price is nickel and in the case of 316, also molybdenum.
8 Because of the decline in nickel and moly over most
9 of the previous twelve months, prices for welded stainless
10 pipe have also declined. Nickel price has recently appeared
11 to bottom out, and there have been some signs their prices
12 are on their way to recovery.

13 Nickel prices impact both U.S. and imported
14 stainless pipe. But as importers, we are much more at risk
15 than domestic producers when prices drop. Domestic
16 producers of stainless pipe are impacted by the drop in
17 nickel because their customers demand a reduction in the
18 price of stainless pipe through a reduction of surcharges.

19 But as importers of stainless pipe with a lead
20 time typically in excess of six months, we face significant
21 risks of our negotiated prices being far above the market
22 prices, when the shipment even arrives. Conversely, when
23 nickel prices are rising, surcharges increase as well. Life
24 is good when those prices are increasing, not so much when
25 they fall. Thank you.

1 STATEMENT OF CHAD ROBINSON

2 MR. ROBINSON: Good afternoon. My name is Chad
3 Robinson and I'm the head of Global Procurement for Warren
4 Alloy and Allied Group.

5 Warren Alloy is a master distributor of stainless
6 steel and alloy pipe, butt weld fittings, forged fittings,
7 flanges and valves. We serve distributors of stainless pipe
8 for the oil, gas, power, petrochemical and marine markets.
9 As a master distributor, we stock a complete line of
10 stainless pipe and a wide variety of sizes, as well as
11 fittings, flanges and valves.

12 We design our inventory so that the valves,
13 fittings and flanges match up to the pipe that we sell.
14 This involves quite a bit of machining and other
15 modifications to be made to the valves, fittings and flanges
16 that go with that pipe. So when they buy from us, they are
17 not only buying pipe for pipe, but rather they're buying a
18 package deal of pipe, flanges, and valves and fittings, so
19 we provide a one-stop just-in-time shopping for our
20 customers of all the stainless products they may need for a
21 particular project.

22 Our pricing often reflects this package deal. It
23 may not be directly comparable to a producer or distributor
24 that sells only pipe. Moreover, this is a service that is
25 not available from the domestic pipe and tube manufacturers,

1 so this helps us to set ourselves apart and make us more
2 competitive.

3 Our customers tell us that that they think this
4 is a very important component of why they buy from us. I
5 would like to talk to you today about the U.S. market for
6 welded stainless pressure pipe.

7 It is significant that imports have been a
8 consistent presence in the U.S. for many years. While
9 petitioners have brought case after case against every new
10 source of supply over the last fifteen years or more, you
11 have to ask yourself why imports have been such a constant
12 part of the U.S. market.

13 The reason is that the domestic industry cannot
14 supply the entire U.S. market for stainless steel pipe, and
15 appears to have very little interest in doing so. Domestic
16 producers, such as Outokumpu spent almost ten million
17 dollars to install a six thousand ton press to do very large
18 diameter pipes for the project business. Bristol announced
19 that it will spend five million dollars for a similar press
20 for the same large diameter production.

21 These producers have chosen to focus their
22 investments and their competitive efforts in the large
23 diameter segment of the welded stainless steel pipe market
24 over 14 , which is associated with these large projects.
25 This large diameter pipe is made on different equipment and,

1 in many cases, features specialized welds.

2 Over the past six years, Bristol and Outokumpu
3 have not expanded or upgraded their facilities for small
4 diameter pipe. While imports of stainless pipe have been a
5 long term factor in this industry, the source of those
6 imports has changed over time with Taiwan and Korea being a
7 consistent presence in the U.S. market.

8 Until 2014, imports from India were not a
9 significant presence in the U.S. market; however, the orders
10 on Malaysia, Thailand and Vietnam that went into effect in
11 2013 significantly reduced the supply of imports to the U.S.
12 market. With demand increasing in 2014, demand for imports
13 was also strong. The import volumes increased in 2014, not
14 only from India, but also from Korea and Taiwan.

15 As I will discuss in a moment, there are
16 significant disadvantages to importing from India. However,
17 we've purchased from India because we would not be able to
18 fulfill our needs otherwise.

19 We have purchased from domestic producers in the
20 past, but we have frequently encountered problems with this
21 supply. For example, after years of doing business
22 together, Felker notified us in February of this year that
23 they would no longer sell to us.

24 For other U.S. producers, the reality is, they're
25 very reluctant to supply us because they do not accept our

1 role in the market as a master distributor. We purchased
2 10-inch and larger stainless pipe from domestic producers for
3 years because those were the sizes they offered to us.

4 However, in 2013 and 2014, the domestic producers
5 increasingly were stocking the same items we carried in our
6 inventory and offering to sell them to our customers at the
7 same prices that they quoted us. In other words, they
8 viewed us as competitors and tried to cut us out of the
9 distribution chain.

10 We determined several years ago that the business
11 model of selling the exact producer products was not
12 sustainable anymore, since they were going directly to the
13 customers and bypassing us as a master distributor. There
14 was no way to distinguish ourselves with the customers if we
15 both handled the same producer products.

16 Then we started to look at supplying alternative
17 to sustain our business as master distributor. We have
18 expanded our business to include a larger range of products
19 because of customer demands. However, stainless pipe from
20 India, in many ways, is not competitive with the domestic
21 producers or with imports from suppliers such as Taiwan and
22 Korea.

23 Indian suppliers do not offer the same breadth of
24 products in terms of special alloys, diameter range and
25 custom wall thickness that the U.S. producers offer. In

1 addition, reliability and consistency of supply are big
2 issues. Our suppliers have struggled to supply the volumes
3 we need and there have been extensive delays in deliveries.

4 During the period of investigation, the time from
5 order to delivery has been nine to ten months, with some
6 deliveries delayed even longer. Deliveries have been so
7 sporadic that we have had to turn down orders and only sell
8 to our top tier customers.

9 This delay in shipments was bad throughout 2014
10 and into 2015. The majority of the shipments in 2015 were
11 orders placed in the first half of 2014 or even 2013. We
12 began reducing our orders in the last quarter of 2014 and
13 continue that trend through 2015.

14 While the pipe we have obtained from India is of
15 good quality, because of India's lack of track record in
16 this market, not all customers will accept it. We have
17 three fulltime employees on site at our suppliers in India
18 to inspect 100% of our shipments to ensure that it meets our
19 requirements.

20 Even then, there remains a perception in the
21 market that Indian pipe is not always the best quality and
22 that affects its competitiveness. Indian pipe is not on
23 most approved manufacturers lists, so companies that use
24 AMLs generally will not buy Indian pipe.

25 Some market segments insist on domestic only,

1 either out of concerns about quality or for political
2 reasons in the case of projects that are funded with public
3 funds or rely on unionized labor. Even some customers who
4 will purchase imports prefer imports from Korea and Taiwan,
5 because of their more established record for quality.

6 We have limited opportunities to offer those
7 products as the Korean suppliers and Ta Chen have their own
8 distribution network in the U.S. The primary driver of
9 price in this market is raw material costs. Particularly
10 the price of nickel and molybdenum, both of which have been
11 highly volatile during the period of investigation.

12 In 2015, prices for these raw materials have
13 declined, with the result that market prices have also
14 declined. In fact, today, nickel and moly are
15 inflation-adjusted lows. Fluctuations in prices of nickel
16 and moly are not something that the U.S. producers can
17 control and as a consequence, they have little control over
18 their pricing, since their customers are well aware of the
19 prices of these commodities.

20 When the price of these commodities increases,
21 then the U.S. producers are able to push through large
22 surcharges that result in higher prices and greater profits,
23 but when the nickel prices drop, the market demands almost
24 instant declines in surcharges.

25 In some ways the industry has made itself more

1 vulnerable to commodity price fluctuations by having an
2 important part of the price depend on surcharges, which are
3 completely transparent.

4 There is a discount in the market for imports
5 from India, which reflects the cost of doing business and
6 the market's perception of Indian pipe, versus U.S. pipe.
7 Indian pipe simply does not have the same acceptance in the
8 market. It has to be discounted.

9 Customers can buy directly from the factory while
10 I have to compete as a master distributor. In our
11 experience, imports from Taiwan and Korea have a greater
12 acceptance in the market, but they are often priced lower
13 than Indian imports. Demands have been relatively stable in
14 2015, and we expect that to continue. Thank you.

15 MR. CAMERON: Mr. McClure, that finishes our
16 prepared statements. I just have one thing that I'd
17 like to add. You know, this is -- we do a lot of these
18 investigations, as you know, and we do a lot of preliminary
19 investigations, etcetera. This is not a normal case.

20 Most of the time, when you have a preliminary
21 investigation, the record is spotty, you don't have good
22 coverage, and there's a lot more to investigate with respect
23 to conditions with competition.

24 But going back to Ms. Preece's question, the
25 implication of the response from petitioners this morning

1 that, well no, actually the conditions of competition that
2 you've got on the record is, it's the same.

3 Import coverage -- the import coverage that you
4 have, in terms of the questionnaire responses, is good.
5 You have the imports from India accounted for. Foreign
6 producers, you have that covered. The domestic industry,
7 you have that covered.

8 What I'm trying to say to you is that in the
9 normal case, there are a lot more variables that are
10 expected and therefore it is much more difficult to actually
11 reach a decision and therefore the natural inclination is to
12 say, yeah, we'll take a pass and we'll look at this at the
13 final.

14 This case is different. You do have a full
15 record, and while petitioners claim that, well, I mean
16 obviously we meet the requirements for preliminary
17 affirmative, so let's move, and then we'll see you later, in
18 about six months.

19 We don't agree with that. We think that you do
20 have a record here, and you have a record here to make an
21 affirmative -- to make a negative determination with respect
22 to this product. Yeah, an affirmative negative
23 determination, okay. [laughter] Look, some of us are
24 hampered because we're not thinking about retirement, we're
25 thinking about our cases, right? So, anyway, my apologies.

1 I digress.

2 But anyway, there is a record to make the
3 determination. We would urge the Commission to look at that
4 issue, and look at the fact that you do have a complete
5 record. Thank you.

6 MS. MENDOZA: If I could just add -- Julie
7 Mendoza -- if I could just add one other thing. I think
8 that both Allied and Mr. Lipp came to us and said, we
9 realize that there was not a great deal of participation in
10 the last case by U.S. importers or by the foreign suppliers,
11 and they really wanted to come today to make sure that this
12 record was complete and that their analysis and
13 understanding of the market was fully disclosed and
14 discussed.

15 So I think that that is another very big
16 difference between this case and the last case, that you
17 really do have participation from market participants who
18 are very aware of what was going on, and I think have been
19 able to give you a very clear picture of conditions in the
20 U.S. market and the role of Indian imports. And with that,
21 we close our presentation. Thank you.

22 COMMISSIONER McCLURE: Thank you, Mr. Robinson
23 and Mr. Lipp. Thank you for coming and being willing to
24 participate where I've often told people who call
25 complaining about questionnaires and this and that, we're

1 only as good as the information we get. And the best place
2 to get it is from the people on the ground, so that, that
3 helps the Commission make an informed decision.

4 Mr. Cameron, your mention of the affirmative
5 negative takes me back to my early days at the Commission
6 when we had the horrendous language on votes, that there was
7 'not no' reasonable indication, which drove former grammar
8 teacher and Commissioner at the time, Kathryn Bedell, crazy.

9 Anyway, that said --

10 MR. CAMERON: That is a long time ago.

11 COMMISSIONER McCLURE: -- time ago. We both had
12 hair. [laughter] I will now turn to Ms. Lo for her
13 questions.

14 COMMISSIONER LO: I just wanted to thank you all
15 for coming, especially Mr. Lipp and Mr. Robinson. I just
16 wanted to verify with both of you that, so Korean and
17 Taiwanese imports are not really available to you because
18 they have their own distribution companies in the U.S.,
19 correct?

20 MR. ROBINSON: Yes, they do. For Taiwanese, they
21 have their own set of distribution they sell to all of our
22 customers. The Koreans really have no distribution policy.
23 They sell to everyone. Technically they're available to us,
24 but they also sell to all of our customers, so it's
25 difficult to add value.

1 COMMISSIONER LO: Same for you, Mr. Lipp?

2 MR. LIPP: Yes, I'm Alan Lipp and that is
3 correct. Ta Chen, I believe has ten locations that they
4 sell pipe from in the United States of America.

5 MR. McCLURE: If I may jump in, are those
6 locations spread throughout the nation?

7 MR. LIPP: Yes, sir, they are.

8 COMMISSIONER LO: Here are the question I have.
9 Both of you testified a lot about the late time delivery
10 from India. Is that the reason that -- are you holding
11 inventories of Indian pipe? Or is just a matter of late
12 deliveries you had to get to your customers? What's the
13 situation with the inventories from India? Sorry, it's
14 related to this morning's testimony.

15 MR. LIPP: Of course, as master distributors, our
16 responsibility is to hold some inventory, but during our
17 planning, we will tend to -- we will ask the suppliers how
18 long this thing takes to arrive. There's a purchase order
19 contract that is then constructed with price and delivery.

20 What our experience has been, is that the
21 deliveries have been delayed and sometimes certain items
22 ship and other items don't, so it's been difficult to manage
23 our inventories.

24 MR. ROBINSON: Chad Robinson, Allied Group. For
25 us, the long deliveries, what hurts us, is, you know, we try

1 to bring pipe in and we manage, you know, we try to manage a
2 reasonable size inventory and then also sell it out. And
3 we're trying to bring in a volume business and then spread
4 it out to multiple customers, so we do carry a little bit of
5 an inventory to try to service our day-to-day business.

6 MR. CAMERON: Just one comment. You know, and
7 you guys are experienced in looking at these questionnaires.
8 I cannot recall lead times of more than four to six months.
9 I mean, generally, it's maybe a hundred and twenty days,
10 maybe a little bit more, but, you know, I've never seen lead
11 times that are nine to ten months.

12 And, of course, when they're originally ordering,
13 they're planning on four to six months. That's not the
14 problem. The problem is, when the track record starts to
15 prove that, well, yeah, that was what it was supposed to be,
16 but that isn't what the end result was, so that's when you
17 start to get lumpy imports and that's also when you start to
18 have to cover yourself in terms of your inventory position
19 because you don't know whether that last shipment that
20 you're gonna get, that was supposed to be there in four to
21 six months, will actually be there.

22 So, I mean I think that really is the problem
23 that you're looking at here. When you talk about these
24 inventories. Yes, there has been -- they do have to cover a
25 position and they have to cover a position because the

1 delivery times have been so spotty. So, and that's why --
2 that's a significance of saying, hey look, yeah, you know, I
3 got imports in January of 2015 that may have actually been
4 ordered in January of 2014, or even in 2013.

5 That's a pretty spectacular thing in terms of
6 trying to manage your business in an orderly fashion. And I
7 think that's the basic point that we're trying to make, so
8 that, to suggest -- usually when you're talking about those
9 high inventories, you're talking about a regular importation
10 and all of a sudden, everything is filled to the gills, as
11 we saw with Chinese OCTG. That's not really what you're
12 talking about here. Here you're talking about hedge buying
13 to make sure that you can cover your position.

14 MR. ROBINSON: Chad Robinson, Allied Group. You
15 know, with any business, you want to have as much just-in-time
16 delivery as possible. You want to order it, as soon as it
17 gets here, move it to the customer. Whenever we were able
18 to buy in Southeast Asia, from Thailand and Vietnam and
19 Malaysia, their deliveries were very precise. I mean, we
20 could make an order with the mill and it would come in, and
21 we would know exactly what our needs are and be able to turn
22 around and sell it with no issues.

23 Lead times were four months, maybe five months
24 maximum, but what they told you is what they would abide by.
25 The difference now in India is we're not really sure when

1 we'll get the pipe. They tell us five to six months, but
2 the truth is, it comes in on an average of nine to ten
3 months, and we've seen deliveries well in excess of a year.

4 So in turn, you know, our inventories now are
5 bigger than when we bought in southeast Asia because we have
6 to make sure that we have the material available and we're
7 not too sure when it will come.

8 COMMISSIONER LO: Thank you. Back to India. I
9 know you're not Indian producers, maybe Mr. Cameron and Ms.
10 Mendoza can respond. Where did the Indian pipes go prior to
11 this POI? Even at the beginning of the POI? You see, that
12 doesn't seem like a lot -- there weren't new factories? I
13 think there's only -- well, I don't want to get into
14 business sensitive information -- but it seems like there
15 was capacity in India from the beginning of the POI. So
16 where, where was it going?

17 MS. MENDOZA: Well, India does have a domestic
18 market, right? I mean, the Indian market does exist. Now,
19 you know, unfortunately, I think what you see in India is
20 that there are a lot of fluctuations in the market demand
21 because, depending on who's running the government, right?

22 And one of the big problems in India has been up
23 to the recent elections, which were when? About a year ago?
24 There was -- the economy was in quite bad shape, and there
25 weren't a lot of new projects going on. What our Indian

1 clients are telling us is that, in fact, what now is
2 happening is with this new government. They've proposed a
3 lot of infrastructure projects, a lot of other projects, so
4 we're gonna see a big increase in demand.

5 So, in terms of where specifically the Indians
6 were selling prior to coming to the U.S., I think we'd
7 probably have to ask them about that and get that
8 information, and I haven't done that yet. But I will for
9 the brief.

10 COMMISSIONER LO: I mean related to that, is that
11 for your July and August 2015 data? The drop-off in Indian,
12 do you believe that's because they're -- what's the
13 rationale?

14 MS. MENDOZA: I think it's because these importers
15 decided that they didn't want to be importing anymore when
16 nickel prices started to decline, and what happened is that
17 they got caught, because of these long lead times, with
18 stuff coming in in January, February and March, based on
19 orders that had been placed as much as, even more than a
20 year before.

21 But they stopped. They basically wanted to stop
22 ordering and therefore, that led to the declines. It's just
23 that it had to work its way through the system in the first
24 quarter of 2015.

25 COMMISSIONER LO: Given all the testimony about

1 Indian quality as well, and their -- plus their delivery --
2 why was India -- do you have any idea why India would have
3 been the country of choice? After the orders went on
4 Malaysia, Thailand's and Vietnam?

5 MR. ROBINSON: Chad Robinson, Allied Group. We
6 have a very long history in India in our other businesses.
7 We've been buying in India for thirty years. We had
8 established networks on the ground. For us, it was just
9 what we were comfortable with. I'm sure we could've looked
10 somewhere else, but we just had an established track record
11 there.

12 MR. CAMERON: I think it's also important when
13 you're talking about quality -- there is objective quality
14 and there is perceived quality. And I think when we're
15 referring to the quality in the market, we're talking about
16 the market acceptance and quality differences.

17 In other words, yes, the Indian material is
18 acceptable. But, query: does it have the same market
19 acceptance as stainless steel pipe from Korea? The answer
20 to that is absolutely not. Does it have the same market
21 acceptance as Ta Chen? I think again, the answer is
22 absolutely not.

23 So, it's a matter of market perception. It's not
24 necessarily that the quality is not good, but there is a
25 perception with respect to India. And, I think that it's

1 very real.

2 COMMISSIONER LO: Great, thank you. That's all
3 my questions for now. Thank you very much.

4 COMMISSIONER McCLURE: I will now turn to
5 Mr. St. Charles. Do you have any questions?

6 COMMISSIONER ST. CHARLES: I don't have any
7 questions. And thank you very much for your testimony
8 today.

9 COMMISSIONER McCLURE: Now to Ms. Preece.

10 COMMISSIONER PREECE: Thank you very much. We're
11 gonna miss Jim as much as anybody else, so I guess it's hard
12 for us. Okay, I'm very interested in this time lag
13 information. I'd like for you to provide me with
14 information in your post conference briefs about the length
15 of time the Indians say they're gonna provide it, the
16 average length of time, and the variance in the length of
17 time. All of those things, I think are really important,
18 and since you're here and you're able to do it, I would
19 really appreciate that.

20 I'd also like similar information about what was
21 from Southeast Asia in the same period. We have the same
22 period, so if you can show me what was going on with
23 Southeast Asia, so we can just have a better idea of what's
24 going on.

25 MS. MENDOZA: You're talking about specifically

1 delays, right, in shipments and schedules?

2 COMMISSIONER PREECE: When you order, when it's
3 supposed to be delivered, when they say it will be
4 delivered, when it's actually delivered and those two would
5 be averages, and then the variance around that. Because, I
6 mean, yes, if you know it's gonna be two months late and you
7 know it will be two months late, but it won't be two months
8 and three days late, that's a very different thing, then, if
9 you say two months late. But it might be on time and it
10 might be four months late, you know, that's --

11 MR. CAMERON: That's fair enough, and we'll get
12 you that data.

13 COMMISSIONER PREECE: That'd be useful and I
14 think very interesting and just a pleasure to see. And then
15 I'd like to also, in your response, an inventory percentage
16 change. This, again, you know, in the briefs, and I
17 particularly thinking about, from when we had the southeast
18 Asia case, what were the inventory percent that you needed
19 to have and how that has changed with this India?

20 So that, both of those would be very interesting.
21 Now, I think you've been talking about the price of nickel,
22 so I'd like to have a sort of brief rundown on how the price
23 of nickel gets in your prices. I've got these prices that
24 you've given me for imports, and those are the prices you're
25 paying for the imported product?

1 MS. MENDOZA: Are you speaking about -- this is
2 Julie Mendoza -- are you speaking about the average unit
3 values from the import data?

4 COMMISSIONER PREECE: Yeah.

5 MS. MENDOZA: Well, because we don't have any
6 information on pricing by Ta Chen or by any other Korean
7 producers, which we would normally use to compare to our
8 prices, what we've relied on as a surrogate, as the
9 Commission sometimes has, are average unit import values.

10 COMMISSIONER PREECE: And you're comparing your
11 average -- your average unit import data to the import --
12 average unit import data from Taiwan --

13 MS. MENDOZA: Yeah.

14 COMMISSIONER PREECE: -- just wanted to be clear
15 on what that --

16 MS. MENDOZA: Yeah, I mean it's obviously, if we
17 had the other pricing data, we'd use it, but since we don't
18 -- and I think what we're trying to do is, is make two
19 points -- I mean one is just the absolute comparisons, but
20 also the comparisons over that second quarter of 2015 when
21 you saw those price declines.

22 COMMISSIONER PREECE: Okay. And now I'd like to
23 have a sort of a summary, quick summary of how nickel prices
24 and other molybdenum prices show up in the price of
25 stainless steel pressure pipe. I know it's -- we've talked

1 about this before, but I'd like just a quick summary of how
2 you do the pricing with this surcharge and how that works.
3 Just a quick one.

4 MR. LIPP: I'm sorry, I'm Alan Lipp with Merit
5 Brass. We could provide the details in the briefs. But
6 because we don't generally use surcharges when -- for our
7 selling prices or for our purchase prices, but nickel and
8 molybdenum, while nickel is only eight to ten percent of the
9 melt in 304 and 316, and molybdenum is two to three percent
10 of the melt in 316, they're extremely influential in terms
11 of the finished product cost. So that's why they're primary
12 components within the surcharge mechanism. And also to a
13 large degree, again, drive our costs and market prices.

14 MR. CAMERON: Don Cameron. The other thing is
15 that the -- when you ask about the surcharge, the surcharge
16 mechanisms are a function of the domestic industry. They're
17 the ones that are using surcharges. The imports, in
18 general, are not using a surcharge mechanism in the prices.
19 Obviously they're taking account of the raw material
20 fluctuations and volatility in the prices, but they are not
21 using a surcharge mechanism in terms of their pricing.

22 MS. MENDOZA: Julie Mendoza. But we can provide
23 you -- I mean AK Steel, right, on its website, the formula
24 for the calculation of the surcharge. And it's heavily
25 weighted towards nickel, but it's not exclusively nickel.

1 And so we can give you that and explain it.

2 You know, the U.S. industry, you know, are really
3 the experts in how the surcharges work. So I would suspect
4 that they'll also be providing that information, but this
5 is, you know, obviously the Commission's looked at this
6 before, but I think the how the surcharge mechanism
7 specifically works in any time period may vary. But we'll
8 provide you that in our post hearing brief.

9 COMMISSIONER PREECE: Okay. One more question.
10 What specifically would you define a master distributor as
11 being in your industry? What does a master distributor do
12 that's significantly different than a distributor, so I can
13 understand that?

14 MR. ROBINSON: Chad Robinson, Allied Group. As a
15 master distributor, we only sell to distribution, so we
16 won't sell to the EPC companies, the end-users, the
17 fabricators, the people like that. We sell to engineering
18 companies, so we will only sell to the distribution
19 companies, and they'll turn around and sell to the end-users
20 of the product.

21 MR. LIPP: Lipp with Merit Brass. Just to
22 piggy-back a little bit onto what Mr. Robinson said. We are
23 also expected to be able to turn small and medium-size
24 orders around quickly with complete-fill rates, which is
25 again, a service that we provide and the reason for

1 basically us to exist in this space. Because we maintain
2 finished goods inventory and can fill small, medium, large
3 orders out of our stocks.

4 MR. ROBINSON: Chad Robinson, Allied Group. If I
5 could add a little bit more. Basically the role that we
6 fill is we stock a couple of different types of products,
7 but then every variation of that product.

8 The distributors we sell to stock many, many,
9 many types of products and very little variations. And
10 maybe not as large as a quantity, so we are basically there
11 to support them and those types whenever they see something
12 a little different, or a large volume that they wouldn't
13 normally keep in stock. We're their backup, they come to us
14 to help fill their projects and used categories that we do.

15 COMMISSIONER PREECE: Thank you very much. I
16 think I'll pass it on to Andy for now.

17 MR. McCLURE: If I might interject here since
18 confession is good for the soul, I learned this morning when
19 Amelia passed it to Andy Knipe, that for the eighteen months
20 Andy's been here, I've been mispronouncing his name as
21 K-nipe. So, this is Andy Knipe [pronounced 'Nipe'].

22 COMMISSIONER KNIPE: Jim McClure [pronounced
23 'Mac-Clury'], it's no problem. [laughter] Okay, thanks. I
24 don't have much. I do have to compliment you guys on the
25 speed with which you turned around these pricing charts and

1 graphs. That must have been the E-Con team.

2 Mr. Robinson, you spoke about specialized welds.
3 Can you talk a little about that? What makes them
4 specialized and what do the Indian producers do that the
5 U.S. producers can't?

6 MR. ROBINSON: I'm sorry, can you repeat the
7 second part of that question?

8 COMMISSIONER KNIPE: You mentioned earlier that
9 the Indian producers provide specialized welds. What makes
10 them specialized?

11 MR. ROBINSON: The Indian producers do not
12 produce specialized welds.

13 COMMISSIONER KNIPE: Got it.

14 MR. ROBINSON: Chad Robinson, Allied Group. I
15 think I understand now. The Indian producers typically just
16 do the standard weld. There's other specifications that are
17 -- like, one example would be A358, Class 1, Class 2, Class
18 3. It's a specialized weld where they do the normal weld,
19 but they also do an inside pass on the weld seam, so it just
20 takes more equipment, it's more specialized and in our view,
21 that's more what they've chosen to focus on in some more of
22 these value-added, you know, that's where they put their
23 investments.

24 COMMISSIONER KNIPE: Okay. Thanks for that
25 clarification. And then, one more. You talked about

1 domestic programs and approved manufacturer lists that makes
2 it difficult for some Indian producers to sell to certain
3 market segments.

4 What's the process like to get on those lists?
5 What are the barriers for Indian producers? Is there a
6 certification process involved?

7 MR. ROBINSON: Chad Robinson, Allied Group. It
8 is very difficult to get on these AMLs. We actually produce
9 a different product in Italy. We own a butt weld fitting
10 manufacturer, so we've tried to get on these AMLs as well,
11 and it takes a lot of time, a lot of money, a lot of
12 traveling, producing samples, trying to get a hold of the
13 right people, and some AMLs we've been attempting to get on
14 for two years.

15 And it would be someone like Shell or Exxon or
16 Chevron, there's -- every company has their own approved
17 manufacturer's list. Most of these big oil and gas
18 companies -- they, you know, it's easier to approve the
19 domestic people because they don't have to travel far to see
20 the mill. It's not as big of a cost to them.

21 And also, the perceived quality of Indian in the
22 market -- I mean, India may have an acceptable quality that
23 meets a spec, but the customers in general -- you know, it's
24 kinda like China and India. It's the big stigma that they
25 produce not-quality material. So it's hard for these guys

1 to overcome -- and even if they have a top-quality mill, for
2 them to get on one of these AMLs is very difficult.

3 MR. CAMERON: It's useful to -- Don Cameron --
4 that these --

5 COMMISSIONER McCLURE: Thank you, Ms. Mendoza.

6 MR. CAMERON: -- that these AMLs are primarily,
7 or at least a lot of them, are in the oil and gas industry,
8 correct? And in large, in these large industries where the
9 Indian material is not going to be generally accepted, but
10 some of the other imports, such as Ta Chen and such as SeAH
11 actually do qualify for some of the AMLs, not all -- I mean
12 the AMLs are always particular to any individual company.

13 But I think it is fair to say that SeAH and Ta
14 Chen do qualify for some of those AMLs, and do compete
15 directly with U.S. industry in those end uses and Indians
16 certainly do not.

17 COMMISSIONER KNIPE: Okay. I'm trying to get my
18 head around exactly what, if there are some, differences
19 perceived or actual in the quality, in the end use, I'm
20 trying to get an idea about what exactly Indian product does
21 go to?

22 MR. ROBINSON: Part of the reason that the
23 domestics and the Koreans are our more highly approved is
24 because of the AML issue. Like a lot of times, if there's
25 maybe a fabricator or some small company that maybe doesn't

1 have enough money to travel and go approve manufacturers of
2 their own, they'll say, okay, we're just gonna use the Exxon
3 Mobil AML. These AMLs are published, you can find 'em
4 online, and so they'll just say, hey, to protect ourselves,
5 if it's good enough for Exxon, it's good enough for us.

6 SO whenever you have a company that's approved at
7 Exxon, at Shell, at Chevron, people say, okay, well, if it's
8 good for all these big oil and gas companies, it should be
9 good enough for us. So that's, I think, where you get the
10 perceived quality of these domestic mills and the Koreans,
11 is that they're on the majority of all the AMLs in the
12 market, whereas -- I don't know of any AMLs that the Indian
13 mills are on.

14 So, I think you go from knowing that all these
15 people say okay, we approve their quality, to a mill that
16 you take a chance on, that, you know, maybe no one's vouched
17 for their quality. So I think that's where you kinda get
18 some of the perceived differences.

19 COMMISSIONER KNIPE: What about product that's
20 not on the AML? The Indian product? 'Cuz there's a lot of
21 it, right?

22 MR. ROBINSON: As far as --

23 COMMISSIONER KNIPE: Yeah. I'm trying to figure
24 out --

25 MR. ROBINSON: It goes into -- you know, a lot of

1 our product will go into ship building and to food
2 processing and to water works, desalination plants, things
3 like that. Whereas this product -- our Indian product, not
4 a whole lot of it goes into the oil and gas segment -- I
5 mean, it's a very small market. A lot of our other products
6 are very heavily weighted into the oil and gas market.

7 COMMISSIONER KNIPE: Okay. That's it for me.
8 Thanks, guys.

9 COMMISSIONER McCLURE: Next will be Ms. Pugliese.

10 COMMISSIONER PUGLIESE: Okay. I was just
11 wondering. How much of the -- like, how large of a market
12 is there for the A358? And then -- okay. It doesn't seem
13 to be -- it seems to be very special, for nuclear?

14 MR. ROBINSON: Chad Robinson, Allied Group. It
15 is definitely a smaller market. We've tried to participate
16 a little bit in it, and we haven't been so successful. 'Cuz
17 our belief is that most of that business goes direct to the
18 manufacturers.

19 COMMISSIONER PUGLIESE: Okay, so they sell direct
20 to the end user for that --

21 MR. ROBINSON: I don't necessarily -- not
22 necessarily to end user, but our customers.

23 COMMISSIONER PUGLIESE: Okay. And then there's
24 like beyond that specification, the A312 and the A778. Are
25 the production processes in India, do they differ at all?

1 The A312 and the A778. Sorry if that's kind of repetitive.

2 MR. ROBINSON: No problem. Chad Robinson, Allied
3 Group. Basically A312 has a couple more processes at the
4 end of the production cycle than the A778 is. We call the
5 A778 as 'as-welded' so there's no heat treatment process at
6 the end of the production. So they're very similar, but
7 there's just a couple more processes added onto the end of
8 the A312.

9 COMMISSIONER PUGLIESE: I guess I'm just trying
10 to get at whether the Indian producers, with those two
11 specifications, if they're doing anything differently.
12 That's all.

13 MR. LIPP: Alan Lipp, Merit Brass. The answer to
14 your question is no.

15 COMMISSIONER PUGLIESE: Okay, thanks.

16 MR. LIPP: The spec is very clear about what
17 needs to happen with A312 and what needs to happen with
18 A778. Just to, again, get into a little bit more detail.
19 As Mr. Robinson mentioned, A778 would be regarded as
20 'as-welded' so it comes down the line, it's welded, it comes
21 off the line and is prepared for shipment.

22 A312 would need to be heat-treated, then
23 straightened, then pickled and annealed, and then cleaned
24 and prepared for packaging.

25 COMMISSIONER PUGLIESE: Okay. Where do you think

1 the perceived differences in quality come from, from your
2 consumers?

3 MR. LIPP: Again, Alan Lipp, Merit Brass.
4 Perception is reality in a lot of cases. There's a stigma
5 against certain countries for quality. That goes back many
6 years when people used to think that products from Japan
7 were of subpar quality.

8 So it gets back to in my mind a track record of
9 producing good quality, conforming to the specification
10 products.

11 MR. CAMERON: Just for an example, when Korean
12 pipe and tube first came into this market, Korean pipe and
13 tube didn't have a good reputation for quality. It's not
14 Japanese. This is the low end, et cetera.

15 Now you will find that it has a very high
16 reputation for quality. Why is that? Because these
17 manufacturers have been here in this market since 1980,
18 1990. Imports of this product from India have been in this
19 market for approximately a year-and-a-half. And so it
20 doesn't have an established track record upon which to
21 compare. And so these are the types of things that happen
22 in these types of products.

23 And people then also look at other pipe and tube
24 products where there have been issues, depending upon who
25 bought the product and what the product was. So I think

1 that is what also contributes to that.

2 MR. ROBINSON: Chad Robinson, Allied Group. An
3 example, but in a different product category. We make the
4 same type of product in a factory that we own in Italy, as
5 well as a factory that we own in China.

6 Our customers will accept the product from Italy
7 all day long. And even though it's the exact same product,
8 the fact that it says "China" on the fitting, they won't
9 accept it. It's a--you know, and I think China and India
10 both have the stigma as being a country that most of the
11 inquiries that we receive, a lot of them say "no China, no
12 India". Some of them say "no China." Some of them say
13 "domestic only."

14 So I think part of it is, you know, it's hard to
15 get these countries that have a stigma against them of not
16 good quality to be approved in the market. And I think it
17 also goes back to the AMLs. I mean, it's easy for someone
18 to look and say, hey, if all these companies are good enough
19 for Exxon and Chevron and Shell, they're good enough for us.
20 Where, you know, the Indian pipe is new in the market and no
21 one knows them.

22 So it's a riskier purchase for them to make. So
23 it's less accepted.

24 MS. PUGLIESE: Okay. Thank you.

25 MS. LO: Sorry, just one follow up--

1 MR. McCLURE: Ms. Lo.

2 MS. LO: I believe Ms. Mendoza testified in her
3 opening statement that--I could be incorrect in my hearing--
4 that some of the Korean pipe is in the Indian market. Is
5 that correct? Or, given the location of all these big pipe
6 producers in Asia, I would assume that India has some
7 competition from these other, perhaps from the other
8 Southeast Asian countries with orders placed.

9 I am just trying to get a better understanding
10 and boost my Part 7 about the industry in India. Where--but
11 that is not really helping me do that, from the submission.
12 So I'm just trying to understand what's going on in the
13 industry in India, and better understand how their
14 production of this pipe compete with perhaps other--

15 MR. CAMERON: Are you talking about imports of
16 other--from other Asian countries into India of some of this
17 pipe?

18 MS. LO: Right. Some understanding about how
19 these Indian producers can--

20 MR. CAMERON: We'll find out whether there is very
21 much, but I tend to doubt that there would be very much, but
22 we can find that out.

23 MS. MENDOZA: Julie Mendoza. I mean we're happy
24 to look into that and, obviously, consult with our clients,
25 and these guys will help us to understand better about it.

1 So we would be happy to do that.

2 MS. LO: Yeah, anything to boost the information
3 on the industry in India would be really helpful.

4 MS. MENDOZA: We will do it.

5 MS. LO: Thank you.

6 MR. McCLURE: Ms. Preece has one question.

7 MS. PREECE: When you provide the information
8 about inventories, if you could provide it quarterly for the
9 different countries that would be very helpful. Certainly
10 we don't need to separate out the three Southeast Asians in
11 the last case, but, you know, as a group what happened to
12 them quarterly. And then the Indian quarterly. So that we
13 can see what's happening up to a more recent time and how it
14 has been changing.

15 MS. MENDOZA: Julie Mendoza. We would be happy to
16 do that. And I also think that they probably--I'm not sure
17 that they purchased from all three countries--

18 MS. PREECE: It doesn't matter, but if they can
19 lumped together that would be just fine.

20 MR. CAMERON: It would be just like the Commission
21 cumulated them, right?

22 MS. PREECE: Yeah, just cumulate them. Yes,
23 please. We don't want to have--I mean, it's interesting,
24 but if somebody buys from one country and somebody buys from
25 another country, but everybody says these two countries are

1 the same, then that is a difference that's not meaningful.

2 And so we'll just limit it to that. Thank you.

3 MR. McCLURE: Okay, thank you. A couple of
4 things. Mr. Robinson, you said that your company turned to
5 India when the Malaysia, et cetera, orders went into effect.
6 Or I thought I heard you mention orders as early as 2013,
7 which would have been I think a little bit before.

8 And again, you made clear that you had done
9 business with Indian producers on other products before, but
10 if you can tell me, or put it in the post-conference brief,
11 when you actually turned to India for this particular
12 product.

13 MR. ROBINSON: Chad Robinson, Allied Group. We
14 turned to India. Once the orders were in place, we didn't
15 know what would happen. So we just decided that it was too
16 risky to keep doing business there, and that's when we
17 decided we needed to find an alternative source.

18 MR. McCLURE: Mr. Lipp, same experience for you?

19 MR. LIPP: Yes, sir.

20 MR. McCLURE: Mr. Robinson, you talked about the
21 fact that the perception/reality thing with India, or with
22 Indian product, and almost sounding as though hardly anybody
23 will accept it. But clearly somebody is. So who? Who, or
24 how, over the time we're looking at has there been a
25 grudging acceptance of India and a greater comfort? What's

1 been the evolutionary path of the Indian product getting in
2 the market?

3 MR. ROBINSON: Chad Robinson, Allied Group. Once
4 we started buying there, it was an education to our
5 customers. And we have a great reputation in the market for
6 our service and our quality that we impart upon our products
7 that we carry.

8 So it was a--we had to go to all of our customers
9 and say, hey, there's going to be a shift in the market.
10 You know, we're not going to be carrying these brands that
11 you're used to from these countries. We'll be carrying a
12 different brand.

13 So I'm not saying that it's not accepted at all,
14 but I will say it's harder to get it accepted. Now we've
15 had to talk to our customers and teach them, and over time
16 we've gotten them to accept it, but they know that we stand
17 behind our product. So it's more based on our reputation
18 that we're able to sell it.

19 MR. McCLURE: Also with regard to the delays, the
20 uncertainties, the lag time, you know--and you mentioned
21 that some people are looking for other suppliers. At what
22 point in the period did you finally say, okay, enough.
23 We've got to look for something else. Or do your customers
24 say: Hey, this is so unpredictable we can't live with it?

25 MR. ROBINSON: For us it was mainly, you know, we

1 were trying to get our inventory in a manageable position.
2 The truth is, we let a lot of our customers down in that
3 time period. We had a decline in orders, and we tried to
4 focus only on our top tier suppliers. But other than that,
5 we had to tell some of our clients no.

6 MR. McCLURE: And with respect to certifications
7 and whatnot, you--did I hear you correctly that everything
8 is inspected and has been certified by the time it leaves
9 the plant in India?

10 MR. ROBINSON: That's correct.

11 MR. McCLURE: Are those your people doing the
12 certifications?

13 MR. ROBINSON: That's correct.

14 MR. McCLURE: Okay.

15 MR. ROBINSON: They're direct employees of our
16 company.

17 MR. McCLURE: Okay. Okay, thank you.

18 That's it for me. Thanks to everybody for
19 coming. Ms. Peterson and Mr. Graves, even though we didn't
20 hear from you, we are happy that you came and sat and
21 listened to Don Cameron.

22 (Laughter.)

23 MS. McCLURE: And Julie Mendoza. Yes, the charts.
24 Especially that shade of blue. Anyway, let's take five
25 minutes and then we will do the closing remarks.

1 (Whereupon, a brief recess is taken.)

2 MR. McCLURE: Welcome again, Mr. Schagrin. Please
3 proceed.

4 CLOSING REMARKS OF ROGER SCHAGRIN

5 MR. SCHAGRIN: Thank you. This is Roger Schagrin,
6 giving closing argument on behalf of Petitioners.

7 Let me start--and I know Julie will do the same
8 thing, and maybe this will be the last time we do this. I
9 know it seemed that way in hot-rolled as well.

10 Just on behalf of Petitioners and Respondents
11 Bar, Jim, thank you for your incredible years of service at
12 this Commission. I think everybody recognizes that you are
13 the epitome of a government servant: hard working, always
14 fair, always accessible, and we appreciate it. And we hope
15 that others here who are younger than you will find a way to
16 fill your shoes, because it's not going to be easy. It
17 would be easy to fill my shoes, not yours.

18 MR. McCLURE: Thank you.

19 MR. SCHAGRIN: We've enjoyed working with you over
20 these many years. I won't get into the jealousy about
21 seeing people retire, but I'd much rather--

22 (Laughter.)

23 MR. SCHAGRIN: --much rather see people retire
24 than pass on. So we're glad you're retiring.

25 Now let me get to the heart of the case. You

1 know, you would think, hearing Don, and Julie, and their two
2 importer clients that the U.S. industry just really doesn't
3 want to make and sell A-312 pipe, right? I mean it's like,
4 hey, we can't buy it from the domestic industry.

5 Don says these guys don't even give you the truth
6 about their capacity. They don't even have the capacity to
7 supply the market. They can't make the sizes. They don't
8 want to operate their plants.

9 Well, earlier today you heard a producer under
10 oath, John Tidlow, tell you that out of the I think 8 or 10
11 welding mills they have, that mills--and these are all
12 individual mills which make individual ranges of sizes--had
13 gone from being operated 5 to 10 shifts--that's not huge,
14 it's not like a steel mill, it's not 168 hours a week--but
15 that would be 40 to 80 hours a week, not unusual, very
16 common for a pipe mill to be operated either 5 days, 8 hours
17 a day, or 5 days, 16 hours a day, that they're now operating
18 them 1 or 2 shifts a week.

19 That is 8 to 16 hours. That is why Bristol has
20 laid off in the past year 21 out of their 150 employees.
21 That is why Outokumpu in the past year has laid off 30 out
22 of just over 100 employees.

23 Now to many people these are just numbers. Don's
24 got a zillion lawyers working at a gigantic law firm. I've
25 got people working at my place. You know, he doesn't care

1 about these people who in a place like Wildwood, Florida,
2 where I can tell you because I'm a Floridian, where besides
3 this pipe mill all there is is orange groves.

4 So to have a job as a United Steelworkers making
5 \$60- to \$70,000 a year in a place where there are not other
6 jobs like that around, and then to lose it because of
7 unfairly traded imports takes a real human toll.

8 And particularly the members of this Commission
9 should never forget that employment effects are a part of
10 the statute. So if these people lost their jobs because
11 they had lousy employers, they've got lousy mills, they
12 don't know how to make product, they don't want to sell it
13 to anybody, that's one thing. But if they lost their jobs
14 because imports from India went from 200 tons to 12,000
15 tons? That's injury. And that's suffering.

16 And this industry has more than ample capacity to
17 supply every single master distributor and distributor in
18 this country. The fact that some master distributors are
19 really just importers, I mean the two people who appeared
20 before you today, I guarantee they bought Chinese product.
21 They told you they bought Malaysian, Thai, and Vietnam
22 product, and they said after the cases were filed against
23 them we looked for new import sources.

24 They didn't say we contacted the domestic guys.
25 Now they say, well, if we did contact the domestic guys, you

1 know, they don't want to sell to master distributors. Well,
2 that is something we will find out in the final. It's not
3 that the domestic industry and people like Mr. Tidlow with
4 an MBA from, you know, UVA doesn't understand how markets
5 work. Master distributors are critical in the stainless
6 pipe industry.

7 That's why the domestic producers sell to master
8 distributors. They understand how the market works. So to
9 get the impression from these guys that, oh, well we have to
10 sell imports, and, you know, the domestic producers they
11 only want to sell direct to tiny distributors. They don't
12 want to go through masters? It's just baloney, okay?

13 So what's happened here during this POI is that
14 surging imports from India ruined a really good market
15 opportunity for the U.S. industry in 2014 where demand was
16 growing, and where they were getting relief from unfairly
17 traded imports from Malaysia, Thailand, and Vietnam. And
18 instead of making really wonderful profits, they in fact had
19 net losses in 2014.

20 And now as demand is declining in 2015, and with
21 these massive inventories, as well as increased imports from
22 India, they are destroying the U.S. industry during a time
23 of weakening demand.

24 Now one of these witnesses said, you know, once
25 again the U.S. industry didn't want to supply small diameter

1 products. Look at their investments. They're investing
2 money in large-diameter. Well we went through this in the
3 last case. You know those large-diameter products that
4 they're investing in? They don't have the import
5 competition as the small diameter.

6 You know, they're also ASTM A312. They're just
7 made in sizes from 16 to like 60 inches in OD. Well if
8 they're made to ASTM A312, guess what? They've got nickel.
9 And if they're Grade 316, they've got molybdenum. And you
10 know what? Those prices for nickel and molybdenum go up and
11 down. But in the large-sized products where they don't have
12 import competition, the U.S. industry makes healthy profits.

13 So what's wrong with the small-diameter product?
14 They face a lot of import competition.

15 Now let's go to what are essentially Merit Brass
16 and Warren Alloy's most ridiculous arguments that you heard
17 today. And those are: Let us tell you the tales of woe.
18 Feel sorry for us that we have been forced to buy like
19 20,000 tons of Indian product over the past 18 months.
20 Their quality is lousy. They don't deliver us on time. And
21 our customers don't want to buy it.

22 Okay, if we had seen imports from India go from
23 just 200 to 500 tons over the last three years, we wouldn't
24 be here today. So do they really expect the Commission to
25 believe that tale of woe like: Oh, let us out of the case so

1 we can buy another 20,000 tons from India because, man, it
2 was so tough to sell that first 20,000 tons that came in
3 over the last 18 months.

4 And the fact is that you can't credit those woes
5 when you have on the record that the product from India went
6 from 200 tons in 2012 to 12,000 tons in 2014, and another
7 7,000 tons in the first six months of 2015.

8 Those are undeniable facts on the record. They
9 also testified that they make sure it meets the
10 specification. It has to meet the specification. I don't
11 want to worry as I'm driving up I-95 past Elizabeth, New
12 Jersey, on my way to New York that those refineries are
13 going to explode because they been buying Indian pipe.

14 I don't think I have to worry about it because
15 I'm sure all the Indian product that they have brought in
16 meets the A312 or A778 specification.

17 As I say, you can explore in the final the
18 channels of distribution. You're going to find that there
19 are some master distributors who are essentially importers.
20 One of them says: We've been doing business in India for 30
21 years. So I guess India makes some pretty good products in
22 the stainless area, and the valves and fittings area.

23 I know you're had cases on those products, as
24 well. And some importers by virtue of the fact that they're
25 importers just don't buy domestically produced products. It

1 may be why we have a \$500 billion trade deficit. But you'll
2 find that some master distributors are not also major
3 importers. They buy either imports or domestic. They buy
4 both. And there's real price competition because of course
5 there's price competition when a distributor is looking to
6 buy from a master distributor. They have a choice of buying
7 a less expensive Indian product, or a more expensive
8 domestic product. And they've obviously been buying more
9 Indian and less domestic, which is why domestic production
10 shipment volumes and profits have been declining.

11 You don't even have to hear about the lack of
12 acceptance in this country of imported products. It's
13 funny. Don's made a career out of representing importers.
14 Last time I checked, we have a \$500 billion trade deficit,
15 \$400 billion of it with China. The idea that my father or
16 grandfather, you know, wouldn't buy a Japanese car in 1950?
17 I think it's kind of old news by now.

18 So I think everybody in the United States,
19 particularly in commodities, which is why you're so busy
20 here at the Commission, will buy imported product when it
21 undersells the domestic product.

22 In summary, you've got a really simple prelim
23 here. You've got a massive increase in imports. They took
24 market share from the domestic industry. They undersold the
25 U.S. industry. Domestic production, shipments, everything

1 is falling in 2015 as imports continue to increase. And the
2 industry is laying off its employees and inventories of
3 imported product are high. Unfortunately, inventories of
4 domestic product are high. We urge you to make an
5 affirmative prelim, and I wish you all the best in
6 retirement, Jim.

7 MR. McCLURE: Thank you, Roger.

8 Now we will turn to Respondents.

9 (Off-microphone comment.)

10 MR. McCLURE: No, we know who you are. We know
11 where you live.

12 CLOSING REMARKS OF DONALD B. CAMERON

13 MR. CAMERON: I know you do. Don Cameron and
14 Julie Mendoza. I am the Don Cameron part.

15 Before we start, I would like to say, as I said
16 at the hot-rolled case, we are going to miss you. We have
17 worked with you since your days with Catherine Bedell and
18 Commissioner Parker with Claude and the rest of the gang in
19 the old building. I was telling our paralegal on the way
20 over it was a hell of a lot easier when you were in the old
21 building. And she said, "Where was the old building?"

22 I said, it's the Monaco Hotel now. So they were
23 some good times. But this Commission does a good job. When
24 we prepare our witnesses, the first thing we tell them is:
25 Look, the people you're going to meet with are hard-working

1 people. They work for a living, just like you guys do.
2 They're trying to figure out what the facts are, and they're
3 very honest. They're not trying to trap you. They're
4 actually trying to figure out information.

5 You epitomize what I think is the best in
6 government service, and we appreciate it. And I know that I
7 speak for everybody in the Bar, and Roger as well.

8 MR. McCLURE: Thanks to both of you. I'm not sure
9 epitomizing the best in government for the Great American
10 Public would consider a compliment, but--

11 MR. CAMERON: Well screw the American public,
12 okay? Because if they believe all that crap, then they
13 deserve what they get.

14 (Laughter.)

15 MR. McCLURE: Well that will be a transcript edit,
16 anyway. Go ahead.

17 MR. CAMERON: And that gets to this issue of
18 whether or not we care about the American worker. You know,
19 I've heard this for an awful long time. I would like to
20 take all of you back to the good old halcyon days of the
21 safeguard action against steel products.

22 I would like to remind everyone that there were
23 only two parties to that sham proceeding that cared a whit
24 about the workers, steelworkers in this country. And that
25 was the Korean respondents and the Japanese respondents,

1 both of whom said if you were going to put in relief, you
2 need to have a program that actually addresses the workers,
3 and actually looks at health care issues for the workers.

4 Look at the record. We were on the record for
5 it. Did you see any of the domestic industry say that? Not
6 one of them. Not one of those companies. So I really don't
7 want to hear about it.

8 And, yes, for the record I was a United
9 Steelworker in 1969. So I don't want to hear about it.

10 Now that's all irrelevant anyway, but, you know,
11 but that is the reality. And the issue isn't about the fact
12 that production was down and people lost their jobs. I get
13 that. Nobody wants to see people lose jobs.

14 The purpose of this statute is to look at whether
15 or not the loss of those jobs was because of imports from
16 India, or whether they were because of drops in demand. Or
17 what happened with nickel prices, and what happened with
18 pricing. What happened with this market.

19 And that's exactly what this Commission looked at
20 in the last investigation, and at least three Commissioners
21 were quite dubious of the causation between Subject Imports
22 and the domestic industry.

23 And here you have it in spades. He keeps talking
24 about 2014. I get it. Number one, no, they didn't have
25 operating losses in 2014. Number two, the market did pretty

1 well, and so did the domestic industry. And they did the
2 best that they did in the entire Period of Investigation
3 when imports from India came in.

4 So there is a serious causation issue in this
5 case. And that is the problem. It has nothing to do with
6 whether or not we have a problem with workers. Yeah, you
7 know, we all live in this country. So let's get over that.

8 The issue is a legal question, and whether or not
9 imports from India are the cause of injury to this industry.
10 And the fact of the matter is, they're not. These guys come
11 here every five--it's like clockwork, to get more orders on
12 more people. And, you know, this industry has basically
13 muddled along and not changed for a number of years.

14 So I just really, really don't get it.

15 Finally, on the issue of capacity. Nobody said
16 they don't have capacity. Check what we've said. What
17 we've said was that this Commission ought to look at the
18 quote/unquote "capacity" number that is stated, as opposed
19 to production. So that's where you're getting capacity
20 utilization.

21 All capacity isn't capacity. Are you really
22 saying that you're going to do let's say three shifts a day
23 for five days a week? That's a huge commitment.

24 Now if you're in a steel mill, then I understand
25 it. You've got to keep the furnace running. But in a

1 manufacturing operation, that really kind of depends. And
2 this industry has never had the demand in these products
3 that would justify three shifts a day, or anything like
4 that.

5 So all I'm suggesting is that it ought to be
6 asked about in terms of that nominal capacity.

7 CLOSING REMARKS OF JULIE C. MENDOZA

8 MS. MENDOZA: Julie Mendoza. I just have a few
9 final comments. And it concerns really I mean, there's a
10 record in this case, and that's a good thing because I think
11 Mr. Schagrin tends to exaggerate our positions to the
12 maximum.

13 I think the employment data shows you that in
14 fact there haven't been these major changes that he's
15 discussing. And he also has exaggerated to a great degree
16 our position. We're not saying that Indian imports can't be
17 sold in the U.S. market. Of course we're not saying that.

18 What we're saying is that they do face obstacles,
19 and they're not as competitive. And that to some extent
20 because they're not as competitive, there have to be some
21 price differences. And it takes companies like Allied to
22 put the reputation behind it to sell them.

23 I mean, that's exactly their position. As to why
24 they don't buy domestic producers, they also explained that.
25 They explained that they had dealt with domestic producers

1 in the past. Some of them still do. But the fact of the
2 matter is that the U.S. producers have their own
3 distribution networks.

4 They have their own relationship with end-user
5 clients, and they're not particularly interested in having
6 more competition in the market for their customers. And so
7 they have as a consequence turned to imports and used
8 imports.

9 They also can't source from Korea and Tachen
10 because, as I explained to you, they have their own
11 distribution networks in the U.S. So it's--and they didn't
12 say that Indian material was terrible. They said it was
13 acceptable, but that it faces certain obstacles in the
14 market, all of which I think we can easily document.

15 Interestingly, the one issue that Petitioners had
16 not touched on at all is the effect of nickel prices. If
17 they say--I mean, they haven't denied it. They really can't
18 deny it. So it's interesting to me that in all of their
19 presentation there was no discussion of what effect nickel
20 prices had on the market.

21 They claimed that the only thing that happened in
22 2014 was that the oil and gas industry increased its demand
23 in the first part of that year, and that demand fell off
24 after that.

25 Well I think there's a lot more to the story than

1 that, and the reason why they have conveniently not
2 addressed that issue, even though it has been an issue in
3 every previous investigation, and with that I thank you for
4 your time.

5 And thank you, Mr. McClure.

6 MR. McCLURE; Thank you. And I can honestly say I
7 will actually miss the subtlety of Mr. Cameron and Mr.
8 Schagrin, but in particular I will miss the calming voice of
9 Ms. Mendoza.

10 (Laughter.)

11 MR. McCLURE: You've made things fun over the
12 years. And with that, I will go into proper attire for
13 reading the closing statement.

14 On behalf of the Commission and the staff, I want
15 to thank the witnesses, especially the ones who came in from
16 out of town, who came here today, as well as counsel, for
17 helping us gain a better understanding of the product and
18 the conditions of competition in the welded stainless steel
19 price industry.

20 Before concluding, let me mention a few dates to
21 keep in mind. The deadline for submission of corrections to
22 the transcript, and for submission of post-conference
23 briefs, is Monday, October 26. If briefs contain business
24 proprietary information, a public version is due on Tuesday,
25 October 27.

1 The Commission has tentatively scheduled its vote
2 on these investigations for Friday, November 13. And it
3 will report the determinations to the Secretary of the
4 Department of Commerce on Monday, November 16. Commissioner
5 opinions will be issued on Monday, November 23rd.

6 Thank you all for coming. This conference is
7 adjourned.

8 (Whereupon, at 12:10 p.m., Thursday, October 21,
9 2015, the conference was adjourned.)

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CERTIFICATE OF REPORTER

TITLE: In The Matter Of: Welded Stainless Steel Pressure Pipe from India

INVESTIGATION NOS.: 701-TA-548 and 731-TA-1298

HEARING DATE: 10-21-2015

LOCATION: Washington, D.C.

NATURE OF HEARING: Preliminary

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: 10-21-2015

SIGNED: Mark A.Jagan
Signature of the Contractor or the
Authorized Contractor's Representative

I hereby certify that I am not the Court Reporter and that I have proofread the above-referenced transcript of the proceedings 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 proceedings.

SIGNED: Gregory Johnson
Signature of Proofreader

I hereby certify that I reported the above-referenced proceedings 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 proceedings.

SIGNED: Larry Flowers
Signature of Court Reporter