

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

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Certain Corrosion-Resistant Steel Products)	Inv. Nos. 701-TA-534-538 and
from China, India, Italy, Korea, and)	731-TA-1274-1278
Taiwan)	(Final)
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Testimony of Stanley Shin, Hyundai Steel, America

Madam Chairman and members of the Commission:

1. My name is Stanley Shin, Sales and Procurement for Hyundai Steel America located in Greenville, Alabama. I am accompanied by Won Kim of Hyundai Steel. Hyundai Steel America is 100 percent owned by Hyundai Steel Company in Korea, and both Hyundai Motor Manufacturing Alabama and Kia Motor Manufacturing Georgia are affiliated with Hyundai Steel America and Hyundai Steel Company. Hyundai Steel America imports over 80 percent of the CORE exported by Hyundai Steel to the United States, and 100 percent of Hyundai Steel America's CORE imports are for use by Hyundai Motor and Kia Motor.

2. Hyundai Motor established Hyundai Motor America and Kia Motor America to produce automobiles in the United States. Hyundai Motor and Kia Motor estimate that they have invested over 3 billion dollars in these facilities. They directly and indirectly employ approximately 10,000 workers in Georgia and Alabama.

3. For auto makers like Kia and Hyundai, by far the most important factors in purchasing CORE are product quality and product uniformity. Different auto parts require specific qualities, but flatness and no wave and low reject rates are always important. Price is a consideration, but quality and uniformity of CORE trump all other factors.

4. Auto producers require a long approval process because they want to obtain a product that is specifically suited to their particular production and the longer the experience with the supplier, the more confidence the auto producer has in its supplier. As noted in our questionnaire responses, Hyundai and Kia have been increasing purchases of high strength steel and reducing purchases of low strength steel as we pursue lighter, stronger automobiles. For instance, we purchase significant amounts of AHSS 490 and 1180 steel and other grades of AHSS Steel from Korea. We note that we generally purchase AHSS CORE from Hyundai Steel, POSCO and Japan because these grades are difficult for many producers to produce.

5. A large part of the strategy of Hyundai Motor and Kia Motor in establishing auto production in the United States was to use domestically produced steel where possible. Hyundai and Kia have been continuously working to increase their sourcing of steel, including CORE, from domestic producers. We partner with ArcelorMittal, AK Steel and US Steel, although AK Steel has no high strength

or AHSS capability at this time. This strategy is consistent with that of all U.S. automobile producers. Auto companies, prefer to source steel locally from domestic steel producers because of the logistical advantages of local supply. Local supply reduces lead times and proximity makes it easier to resolve sourcing and quality issues when they arise. Hyundai Motor and Kia source approximately 30% of their requirements from US mills. At the same time, as noted in the Hyundai and Kia Purchaser responses, both producers significantly reduced purchases of CORE from all parties between 2014 and 2015.

Thank you.