TESTIMONY OF GREG PASLEY

Good afternoon, my name is Greg Pasley and I am the president of Butler Manufacturing, a division of BlueScope Buildings North America, or BlueScope. BlueScope is among the largest U.S. suppliers of fabricated structural steel, or FSS, with six production facilities located throughout the country. We fabricate the FSS at our US facilities and import a small amount of FSS from our affiliated company in Mexico to supplement our domestic production.

Let me say at the outset that I was surprised when I first learned, in September of 2019, that the FSS we manufacture and import from Mexico was covered by this investigation. In my view, and that of everyone in my company, the FSS we manufacture is not the same as, and does not compete with, the FSS produced and sold by the companies that filed this case. Let me explain why.

BlueScope exclusively produces FSS as components for its PEMBs. The FSS produced by the petitioners in this case, in contrast, is FSS for conventional buildings and a wide variety of other products. FSS components of PEMBs are very different from those other products, and serve completely different markets. PEMBs are ideal for low-rise, less complex structures. For those uses, PEBs are less expensive and faster to assemble than conventional buildings, as their steel is used more efficiently.

As a result of these and other differences, the FSS we make for PEMBs does not compete with the FSS made by the petitioners and most other FSS manufacturers. We never compete against other companies on contracts to supply FSS for PEMBs. Instead, we produce our FSS from our own plants, including our affiliated company in Mexico.

In BlueScope's case, we do not even invoice FSS components separately from the invoices we issue for the buildings. Instead, we put together our proposals for completed PEMBs, working with builders we have developed trusted relationships with. The FSS we produce never competes with the FSS for conventional buildings.

To understand why FSS for PEMBs is so different from other types of FSS, you need to understand the important differences between the way conventional buildings are designed and the way PEMBs are designed and built. For conventional buildings a general contractor or subcontractor will normally request bids for FSS from numerous suppliers, who compete based on schedule, quality and price. The FSS for these buildings is normally sold through a competitive bidding process.

The FSS for PEMBs is different. I do not sell FSS components to a general contractor. Instead, I work with trusted builders who rely on us to provide a

complete building shell. FSS components of the building are delivered to the building site ready for assembly, usually in stages. As a result, most of my marketing efforts involve maintaining and supporting contacts with the builders we have been associated with over many years, to determine what building projects they have and how BlueScope can best provide the FSS those builders require.

PEMB builders use their associated manufacturers to supply the complete building shell when competing against contractors offering conventional buildings. But the FSS used in PEBs does not compete as a stand-alone component against the FSS in conventional buildings. In fact, the majority of producers of conventional FSS cannot produce the FSS we make for PEMBs because they lack the specialized equipment necessary. As a result, when we have regional capacity limitations in our plants, we import some of our FSS from our affiliated company in Mexico.

We import only a fraction of what we produce domestically, generally around 5 percent, and this is from our Mexican affiliate, who only sells to us in the U.S. Thus, none of the small amount of FSS we import from Mexico takes away any sales of domestically produced FSS. In addition, the FSS we import does not compete with domestic production of FSS, because we use our imported FSS to

overcome production constraints that we may incur for particular products in particular plants.

One final point. The US producers who brought this case have charged that much of BlueScope's production of FSS is for "captive consumption." This is just wrong. BlueScope doesn't "internally transfer" any of the FSS it produces to make a downstream product. BlueScope produces FSS, which it ships, usually in stages, to the building site. There, the FSS is ultimately assembled by the builder into a completed building. BlueScope is a major producer of FSS, never a "consumer" of the FSS it produces. Thank you.