

UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:)
)
IRONING TABLES AND CERTAIN) Investigation No.:
PARTS THEREOF FROM CHINA) 731-TA-1047
) (Review)

Pages: 1 through 172

Place: Washington, D.C.

Date: April 13, 2010

HERITAGE REPORTING CORPORATION

Official Reporters
1220 L Street, N.W., Suite 600
Washington, D.C. 20005
(202) 628-4888
contracts@hrccourtreporters.com

THE UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:)
)
 IRONING TABLES AND CERTAIN) Investigation No.:
 PARTS THEREOF FROM CHINA) 731-TA-1047
) (Review)

Tuesday,
 April 13, 2010

Main Hearing Room
 U.S. International Trade
 Commission
 500 E Street, S.W.
 Washington, D.C.

The hearing commenced, pursuant to notice, at
 11:00 a.m., before the Commissioners of the United States
 International Trade Commission, the Honorable SHARA L.
 ARANOFF, Chairman, presiding.

APPEARANCES:

On Behalf of the International Trade Commission:

Commissioners:

CHAIRMAN SHARA L. ARANOFF (presiding)
 VICE CHAIRMAN DANIEL R. PEARSON
 COMMISSIONER DEANNA TANNER OKUN
 COMMISSIONER CHARLOTTE R. LANE
 COMMISSIONER IRVING A. WILLIAMSON
 COMMISSIONER DEAN A. PINKERT

APPEARANCES: (Cont'd)

Staff:

MARILYN R. ABBOTT, SECRETARY TO THE COMMISSION
BILL BISHOP, HEARINGS AND MEETING COORDINATOR
SHARON BELLAMY, HEARINGS AND MEETINGS ASSISTANT
JENNIFER MERRILL, INVESTIGATOR
RALPH WATKINS, INTERNATIONAL TRADE ANALYST
GERRY BENEDICK, ECONOMIST
MARY KLIR, ACCOUNTANT/AUDITOR
PATRICK GALLAGHER, ATTORNEY
DOUGLAS CORKRAN, SUPERVISORY INVESTIGATOR

In Support of Continuation of Antidumping Duty Order:

House Products International, Inc. ("HPI")

DAVID R. KOGAN, Director of Operations, HPI
JACI G. VOLLES, Executive Vice President of
Sales and Marketing, HPI
DR. MICHAEL D. BRADLEY, Department of Economics,
The George Washington University

FREDERICK L. IKENSON, Of Counsel

In Opposition to Continuation of Antidumping Duty Order:

Polder Inc., Whitne Design, Since Hardware

CAL SCOTT, President and Owner, Polder Inc.
KERRY COOPER, Sales Manager, Polder Inc.

WILLIAM E. PERRY, Of Counsel

I N D E X

	PAGE
OPENING STATEMENT OF FREDERICK L. IKENSON, BLANK ROME LLP	5
OPENING STATEMENT OF WILLIAM E. PERRY, DORSEY & WHITNEY	10
TESTIMONY OF DAVID R. KOGAN, DIRECTOR OF OPERATIONS, HPI	13
TESTIMONY OF JACI VOLLES, EXECUTIVE VICE PRESIDENT OF SALES AND MARKETING, HPI	26
TESTIMONY OF MICHAEL D. BRADLEY, DEPARTMENT OF ECONOMICS, THE GEORGE WASHINGTON UNIVERSITY	37
TESTIMONY OF CAL SCOTT, PRESIDENT AND OWNER, POLDER INC.	112
TESTIMONY OF KERRY COOPER, SALES MANAGER, POLDER INC.	117

P R O C E E D I N G S

(11:00 a.m.)

CHAIRMAN ARANOFF: Good morning. On behalf of the U.S. International Trade Commission I welcome you to this hearing on Investigation No. 731-TA-1037 (Review) involving Ironing Tables and Certain Parts from China. The purpose of this five-year review investigation is to determine whether revocation of the antidumping duty order covering ironing tables and certain parts thereof from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Schedules setting forth the presentation of this hearing, notices of investigation, and transcript order forms are available at the public distribution table. All prepared testimony should be given to the secretary. Please do not place testimony directly on the public distribution table. All witnesses must be sworn in by the secretary before presenting testimony. I understand that parties are aware of the time allocations. Any questions regarding the time allocations should be directed to the secretary.

Speakers are reminded not to refer in their remarks or answers to questions to business

1 proprietary information. Please speak clearly into
2 the microphones and state your name for the record for
3 the benefit of the court reporter. If you will be
4 submitting documents that contain information you wish
5 classified as business confidential, your request
6 should comply with Commission Rule 201.6. Finally, I
7 would like to thank the parties appearing at today's
8 hearing for agreement to the Commission's request to
9 begin the hearing at a later time rather than at the
10 9:30 time, we appreciate your indulgence.

11 Madam Secretary, are there any preliminary
12 matters?

13 MS. ABBOTT: Madam Chairman, all the
14 witnesses have been sworn. There are no other
15 preliminary matters.

16 CHAIRMAN ARANOFF: Thank you. Let us
17 proceed then with opening remarks.

18 MS. ABBOTT: Opening remarks in support of
19 continuation of the order will be by Frederick L.
20 Ikenson of Blank Rome.

21 CHAIRMAN ARANOFF: You need your microphone
22 on please.

23 MR. IKENSON: I cannot tell you how often I
24 was telling myself to do that. Madam Chairman,
25 members of the Commission, Commission staff, I am

1 Frederick Ikenson, I am privileged to represent Home
2 Products International, Incorporated, the last
3 remaining U.S. manufacturer of metal top floor
4 standing ironing tables.

5 Before the antidumping order in this case,
6 imports of subject ironing tables from China surged
7 into the United States, causing the domestic industry
8 to experience price suppression, lost sales, and
9 declines in the traditional indicators of business
10 health, production, capacity utilization, shipments,
11 employment, market share, and operating performance.
12 This is of course what the Commission found in July of
13 2004, and the order was put into place the next month.

14 During the years following the order, the
15 domestic industry experienced relief. The import
16 surge halted, and in fact imports steadily declined
17 over the period of review. This enabled the domestic
18 industry to increase production and shipments up to
19 the advent of the recession, to increase its market
20 share, and to increase prices, which it needed to do
21 given the sharp material cost increases it was forced
22 to accept from its suppliers.

23 If the order were to be revoked, there would
24 once again be a flood of low and unfairly priced
25 imports. In addition to those companies that have

1 been shipping dumped product both before and after the
2 order, there are potentially dozens of other Chinese
3 ironing table manufacturers, companies which have
4 never bothered to answer your questionnaires. There
5 is a significant barrier in Europe to Chinese ironing
6 tables, their antidumping regime, that will divert
7 potential Chinese ironing trade away from Europe and
8 to the United States.

9 There is no doubt that increased imports
10 will not grow the market but will substitute one for
11 one for domestic product. Downward pressure on
12 domestic product prices would be substantial. The
13 domestic industry's ability to pass on material cost
14 increases to its customers, who are predominantly
15 large mass merchants with substantial market power,
16 would be taken away. These negative effects would
17 imperil the survival of the industry in the very near
18 term.

19 In a nutshell, that's our thesis. The other
20 side has not really joined issue with this. They have
21 made essentially three points, but the most important
22 of which is the one that we really do not care about
23 protecting our domestic manufacturing base, that we're
24 really interested in importing. There are two
25 components to this argument, both horribly wrong.

1 First, they claim that HPI has been importing complete
2 subject ironing tables and also subject parts, legs
3 and table, from a company called Forever Holdings.
4 They are mistaken.

5 Other than a few samples of ironing tables
6 from Forever Holdings and some other Chinese
7 manufacturers imported solely for analysis, HPI has
8 not imported or caused to be imported any subject
9 ironing tables, legs, or tops from Forever Holdings,
10 period. Second point that is part of their argument,
11 the respondents point to certain drop shipments that
12 were made in 2004, 5, and 6 to a U.S. customer from a
13 Chinese manufacturer, and suggest that this is
14 evidence that even though HPI was not the importer of
15 record its business interests really lie in importing.

16 This is false. The drop shipments that were
17 made to the U.S. customer constituted a minuscule
18 amount when compared to HPI's production or shipments.
19 Also, respondents are wrong to include 2006 in their
20 presentation. The only shipments made in 2006
21 pursuant to HPI's order were to foreign countries, not
22 to the United States. Also, incidentally, most of the
23 2004 and 2005 shipments identified on the respondent's
24 list were of either nonsubject merchandise or of
25 shipments to foreign countries or both.

1 The shipments of subject ironing tables to
2 HPI's customer in the United States in 2004 and 2005
3 do not reflect HPI's interest in selling imports, but
4 to the contrary they reflect HPI's failure to convince
5 its customer to purchase its domestically produced
6 ironing tables. The suggestion by the other side that
7 we are not really interested in our manufacturing
8 activities is really baseless.

9 There are two final points they make, each
10 in a half page. One is that plastic is going to
11 replace metal top ironing boards. They really do not
12 offer any support for this other than a page exhibit,
13 their appendix 8, there is not title, no source, no
14 authorship. All that it does tell you is that the
15 cost of plastic is higher than the cost of the steel
16 top product, and "there is a lessening degree of
17 retail buyer rejection" of plastic top ironing tables.

18 Somehow, this does not constitute compelling
19 evidence that plastic top ironing tables are about to
20 replace metal top. I see my red light is on but I
21 just did want to make one quick point if I may about
22 their last point, which is that India is the game
23 changer and that ironing tables will come from India.
24 There is absolutely nothing in the record to indicate
25 India's capacity, track record, or acceptability of

1 Indian product anywhere in the world. Thank you,
2 Commissioners.

3 MS. ABBOTT: Opening remarks in opposition
4 to continuation of the order will be by William E.
5 Perry of Dorsey & Whitney.

6 MR. PERRY: Good morning, members of the
7 Commission. My name is William Perry of the law firm
8 Dorsey & Whitney, and I am here representing the
9 respondents in this case. I think Fred Ikenson in a
10 way framed the issue correctly. The issue is HPI
11 importing or not. HPI is apparently arguing that they
12 have imported no ironing tables from China and are
13 simply a domestic producer. That's why we submitted
14 in the public the documents from Since Hardware,
15 showing the shipments to Target, but they sold them to
16 HPI.

17 This is a cute little game. In other words,
18 what we do is we call indirect imports. We're not the
19 importer of record but we buy the ironing tables from
20 Since and then they're delivered directly to Target.
21 And I don't think you have any of that evidence on the
22 record and I think that's what the Commission needs to
23 look at. This also raises the question of the
24 relationship with Forever Holdings, which I think is
25 very important here, and the curious question of what

1 happened at the Commerce Department.

2 At the Commerce Department, although HPI
3 fought tooth and nail against Since and Fushin Shunda,
4 no arguments against Forever. Last August, no request
5 for review for Forever. Remember the Hound of the
6 Baskervilles? Remember the question from Sherlock
7 Holmes? Why did the dog not bark? And that's one of
8 the issues here, and it raises the issue of the
9 settlement agreement, and whether there is an
10 exclusive settlement agreement between Forever and
11 HPI.

12 This summer you're going to have a big
13 sunset review of wooden bedroom furniture, and you're
14 going to see the most pervasive scheme of private
15 settlement agreements you ever seen, but there's a
16 difference here. In wooden bedroom furniture the
17 private settlement agreements are not exclusive. This
18 one is exclusive, and it's exclusive with the only
19 company that's got a zero in China.

20 Now, Commissioner Pinkert, you may remember
21 a conversation we had three years ago at a break-out
22 in the Georgetown International Trade Conference when
23 Commissioner Pinkert was then in the Chief Counsel's
24 Office at the Commerce Department. And I asked him,
25 what is the Commerce Department's position on private

1 settlement agreements? And he made it very clear, and
2 I have confirmed it later with the Chief Counsel, John
3 McInerney, that the Commerce Department's position is
4 they take no position, whatever happens, happens.

5 But the question is, what is the
6 Commission's position on private settlement
7 agreements? And it's incredibly important because
8 you're the only one looking at the impact of the
9 imports on the domestic industry. The private
10 settlement agreements are not condoned by the statute,
11 only the suspension agreement. The terms are never
12 agreed upon, were never reviewed by the Commission or
13 any other agency. I mean in 337 cases the Justice
14 Department looks at them.

15 We have HPI in the situation of a
16 gatekeeper, working to determine who sells in the U.S.
17 market. In other words, if the Chinese company were
18 the Chinese company that has the zero, it seems like
19 it can dump as long as it dumps to HPI and nobody
20 else. So what incentive does HPI have to really
21 increase its production? And are the operations of
22 HPI a dumping village?

23 He's saying, obviously no, we're just
24 interested in domestic production. So what is the
25 ITC's position on private settlement agreements? If

1 HPI does not tell you what it's doing, then you'd
2 better look at best information available. I cited
3 the Atlantic Sugar case because that was my case when
4 I was here at the International Trade Commission.
5 Thank you very much.

6 MS. ABBOTT: The first panel in support of
7 continuation of the antidumping duty order, if you'll
8 please come forward and take your places.

9 MR. IKENSON: Good morning again, Madam
10 Chairman and members of the Commission. I would like
11 to introduce my colleagues on this panel, and then
12 they will proceed seriatim with their testimony. At
13 my second right is David Kogan who will be the first
14 witness, he's Director of Operations at Seymour,
15 Indiana. At my far right is Jackie Volles, Executive
16 Vice President for Sales and Marketing working in
17 Chicago. And at my immediate right is Professor
18 Michael Bradley of the Department of Economics of the
19 George Washington University. So with your permission
20 I would ask David Kogan to offer his testimony.

21 MR. KOGAN: Hello. My name is David Kogan,
22 I am the Director of Operations for Home Products
23 International, Seymour, Indiana Manufacturing and
24 Distribution Operations. Thank you for the
25 opportunity to be here to discuss ironing table

1 business with you. I have been with Home Products
2 since June of 2009. The scope of my responsibility
3 includes purchasing, manufacturing, engineering,
4 distribution, and all other direct matters associated
5 with producing and distributing our ironing tables.

6 The breadth of my responsibilities coupled
7 with my professional experience has allowed me to
8 quickly gain command of our business's key drivers as
9 well as the nuances unique to our products and our
10 customers. An essential part of my role is to engage
11 our business alongside my marketing and sales
12 colleagues on a daily basis. In large part, this
13 entails providing our customers with timely and
14 complete responses to product development requests,
15 incremental production volume needs, and anything else
16 our customers may require.

17 Our proximity, both in relationship terms as
18 well as our geographic location allows us to provide
19 our customers with an extraordinarily high degree of
20 flexibility and responsiveness. This is an
21 expectation thoroughly entrenched in HPI's ironing
22 table business, it resonates all the way to our
23 factory floors. Our associates understand exactly
24 what it means to meet our customers' needs and they
25 have successfully done so for a very long time.

1 I am trained in modern manufacturing
2 practices and am very familiar with a wide variety of
3 manufacturing systems. Among others, I have
4 manufacturing experience in the automotive, aerospace,
5 electrical components, and construction steel
6 industries. My professional career of 15 years
7 includes a broad set of responsibilities inclusive of
8 conventional operations functions as well as finance
9 and sales.

10 Many of the environments in which I have
11 worked have been in exceedingly competitive industries
12 and markets. Such as the case with the ironing table
13 business, I am well versed in the levers that allow
14 firms to compete in very challenging circumstances.
15 Our operations consist of two manufacturing
16 facilities, two warehouse and distribution facilities,
17 and one administrative office providing the full range
18 of support services.

19 The first incarnation of our firm began
20 producing ironing tables in the late 1940s. While the
21 company produced other metal form products in Seymour
22 as well, only ironing tables remain. That is,
23 overwhelmingly floor standing metal top ironing tables
24 and a small number of over-the-door models. Over the
25 many years HPI has become a stalwart fixture in the

1 community. By total employment we are the sixth
2 largest in Seymour and the seventh largest in Jackson
3 County.

4 Many of our folks are involved in a variety
5 of civic leadership roles and are actively engaged in
6 the community. The political and economic development
7 leadership look to HPI as a corporate leader. This is
8 something that we take quite seriously. We employ
9 approximately 155 full time employees, and this figure
10 rises to approximately 200 in accommodation of our
11 seasonal peak. We utilize a local temporary labor
12 pool to flex our force up as efficiently as possible.

13 Our full time average tenure is
14 approximately 16 years across all our functions. This
15 is a tremendous asset to our business and to our
16 customers. HPI is an attractive place to work for our
17 associates, and this is established by paying a fair
18 wage, operating a clean and safe work environment, and
19 most importantly having a professional, honest, and
20 open culture.

21 One could imagine that such tenure leads to
22 stagnation. However this is not the case for us. Our
23 folks fully appreciate the importance of continually
24 advancing our competitiveness. Several years ago, our
25 team introduced significant automation assets to our

1 operations, thereby setting a new standard for
2 efficiency. Beyond these automation efforts, we have
3 worked extremely hard at value engineering to drive
4 costs down. In a product that is mostly material
5 costs, this makes good sense.

6 More recently, we have been moving back to
7 the efficiency levers and focusing on labor
8 productivity. We have made significant strides in
9 safety and have a compelling improvement record. We
10 have reduced our corrugate needs and increased our
11 shipping density to reduce freight costs. In general
12 we have a continuous improvement environment wherein
13 all ways of doing business are challenged for
14 improvement opportunities, and we are fortunate to
15 have a workforce that knows how to make high quality
16 products and gets it when it comes to understanding
17 what it takes to compete in a global marketplace.

18 As mentioned, we have two manufacturing
19 facilities in Seymour. Our west plant produces
20 exclusively our T leg ironing tables. This plant has
21 a high degree of automation, establishing us as the
22 low cost producer of this very important opening price
23 point product. This operation runs two shifts five
24 days a week until a third shift is added for a few
25 months to accommodate the back-to-college seasonality.

1 Our east plant makes all of our other floor
2 standing ironing tables. This plant has some
3 automation, but is somewhat limited due to the lower
4 volume nature of higher end ironing tables. In the
5 east plant we make our basic four leg models as well
6 as our two high end boards, the heavy duty and the
7 professional. This operation historically runs one
8 shift while adding a second shift for seasonality for
9 a few months time.

10 One of the most recent benefits of the
11 antidumping duty order has allowed us to go from no
12 second shift scheduled in 2010 at all to a full eleven
13 months of second shift operations. This is a
14 tremendous development for HPI. It also fits to note
15 that since the antidumping duty order we have not had
16 to import these high end products but rather have been
17 able to manufacture them ourselves. Such
18 opportunities have created real employment
19 opportunities for many people.

20 It is important to emphasize just how
21 important we view having a complete product line made
22 in the United States. While we are the low cost
23 producer of T legs, we also work extremely hard at
24 driving costs out of our higher end offerings to
25 ensure competitiveness. Offering the full range of

1 products is not only valued and expected by our
2 customers, it is fundamentally critical to our
3 business model. The associated volumes and
4 contribution margins of these products have a major
5 role in allowing us to employ the numbers that we do.

6 If I may be allowed to do so, for the next
7 few minutes I would like to review the basic
8 architecture of our ironing tables and identify some
9 of the key characteristics that differentiate U.S.
10 made tables from the Chinese. These are in exhibit
11 order, 1 through 6. What I'm going to start with here
12 is our basic T leg ironing board. This is the opening
13 price point model that I referred to, this is the
14 overwhelming majority share of the marketplace in the
15 United States, and it certainly accounts for a
16 majority of our production volume.

17 I noticed that several were examining the
18 boards before the hearing started. What I'd like to
19 do is start with the top of this board and point out
20 this is, see the documentation, this is what's
21 referred to as the perf top board. As you see it's a
22 perforated single sheet piece of metal. This
23 particular component is produced with a 400-ton
24 automatic press that is managed by one person.

25 Going on to the rest of the board here,

1 these two members that run the length of the board are
2 referred to as ribs in the common parlance. These two
3 cross members here are referred to as hangers, and
4 that constitutes the majority of the understructure of
5 the board. Then you have the legs, the T leg form
6 speaks for itself. And then the legs are attached to
7 the what we call the slide bar, which actuates up and
8 down the board as the height is adjusted, and a hinge
9 bar down at the bottom which simply works as a pivot
10 for the legs to actuate.

11 One key point there of our product is how
12 the assembly is done for the legs. We use a very
13 clean and efficient riveting method to attach the legs
14 together, and also to attach them to the slide bar and
15 the hinge bar. One of the key characteristic to an
16 HPI board is the infinite adjustment rod. This allows
17 the user to adjust this board to any height up to its
18 maximum, so really as close to the floor as you would
19 like all the way up with sort of essentially infinite
20 permutations. This is the opening line product, this
21 is the T leg perf top.

22 The next board, exhibit 2, is a mesh top T
23 leg. To focus on the core difference obviously is to
24 address the top itself. This is mesh steel, this is
25 created by piercing sheet steel and actually creating

1 that separation. We don't actually knock these holes
2 out and create waste, this is actually a mesh expander
3 that creates this. We create this overall blank, the
4 shape of the ironing board top, and then there's a rim
5 that's fabricated separate and apart from this, and
6 then they are cojoined with a crimping process, that's
7 to create the mesh top, and that's how we manufacture
8 ours at HPI.

9 The understructure between these two boards
10 is identical, and the legs are identical. The point
11 being that at the T leg, at the opening price point we
12 can attach a perforated top or a mesh top, whatever
13 the customer might require. Exhibit 3 is a Chinese
14 made T leg, and what I'd like to do is just point out
15 some of the key differences. There are basically
16 three primary differences. The first that I'll point
17 out, as you can see, it's expanded mesh metal.

18 What they do to fabricate and do most of the
19 attachments for their products for the legs to the
20 feet and to their hinge rod and slide rod is use a mig
21 welding technique. That's a very labor intensive
22 method. We use a riveting technique which is very
23 clean and requires a lot less labor. Here they use
24 labor and mig welding. The Chinese boards also
25 typically have a ratchet method for adjusting the

1 height. Whereas we have an infinite adjustment
2 opportunity, most of the Chinese boards have a finite
3 number of locations where you can adjust the height.

4 And typically the mesh tops are fabricated
5 to the rim differently than we do, but more or less
6 what you can see is that functionally the boards are
7 the same, interchangeable. There's nothing
8 particularly different amongst the three that would
9 materially affect a difference in the ironing process,
10 if you will. But in general a much more labor
11 intensive design, which plays to the lower cost labor
12 element that they offer.

13 Exhibit 4 is our four-leg board. The four-
14 leg board in most cases is sold with a mesh top, it is
15 the next price point in the typical offering of
16 ironing boards. The mesh top is the same as the mesh
17 top that I just talked through a bit earlier, so I
18 won't address that further. The obvious difference is
19 the four legs. The leg diameter is an eighth of an
20 inch smaller on each of these legs, and you'll see
21 that they're cojoined with this apparatus here that we
22 call a spreader. Again it's a riveted method, we also
23 rivet the legs to the rods or to the bars up here as
24 well. Basically it presents a more stable footprint
25 and a bit more attractive to customers at a higher

1 price point.

2 Exhibit 5, let me make sure everybody can
3 see this. This is our professional board, this is the
4 highest price point board in the offering. A couple
5 quick things that I'll point out on the
6 understructure, it's a mesh top, obvious differences
7 are the size and the understructure, but generally the
8 manufacturing means and methods are the same.
9 Obviously we're doing things at a different scale
10 here. The understructure is a lot sturdier to
11 accommodate the additional weight, the top is bigger,
12 but more or less we use the same means and methods to
13 produce this mesh top.

14 You'll notice that the legs are a lot
15 sturdier as well. It also has an infinite height
16 adjustment rod. What's typical at the higher end of
17 these boards are the accessories. This unit right
18 here is the linen rack, which is used pre and post
19 ironing to hold the fabric or the clothes. This is an
20 iron rest where you can safely store your iron while
21 you're in process or when you're done. A rack to hang
22 the shirts or the hangers. This is called a cord
23 minder to help keep the cord out of the way while
24 you're in the process. And then our particular board
25 also has as you can see dangling here on the underside

1 is an electrical cord, which goes to the wall, and
2 then there's a socket underneath here for your
3 convenience so that you don't have to keep the
4 dressing of a wall socket to safely unplug your iron.

5 And I'll try not to pull this one all the
6 way out here, this is the Chinese version of the big
7 top board, if you can all see this. Mesh top design,
8 similar to the other boards. Similar features, iron
9 rest, linen rack, ratchet height adjustment, so they
10 have a finite adjustment. Again, typical comparables
11 to the other Chinese boards relative to the HPI
12 boards. Can everyone see this okay?

13 As you can plainly see, steel is a major
14 element in our products. As such, we are susceptible
15 to the effects of what has become a very volatile
16 steel market. The machinations of our business
17 require that we commit to prices with our customers
18 for a full year as a general rule. This means that as
19 prices substantially increase, as they did in 2004,
20 2008, and as they are doing again this year, we are
21 greatly challenged to successfully meet our operating
22 targets.

23 Rarely are we ever able to fully recover
24 steel cost increases by way of price increases to our
25 customers. Steel prices are up over 70 percent since

1 June of last year, and over 25 percent year to date.
2 The steel industry is becoming ever more volatile and
3 will continue to be a systemic challenge for our
4 business. In our questionnaire response, we
5 articulated how we would anticipate our business to be
6 affected if the antidumping duty order were to be
7 lifted. While I won't recite the response details
8 here, I believe it is a very sound and objective
9 assessment.

10 In our operations, the absence of a couple
11 key customers or key products make our business model
12 all but unworkable. I have read the public version of
13 the prehearing brief offered by the other side in this
14 case, and we are absolutely not importing subject
15 ironing tables from Forever Holdings. This just
16 simply is not the case. I would also like to offer
17 that as long as I have been with HPI we have never
18 imported subject components such as legs and tops for
19 assembling, nor do we have plans to do so.

20 I have also personally conferred with my
21 predecessor, Joe Debin, as well as my longest tenured
22 production supervisors, each of whom has been with HPI
23 for approximately 30 years, and they too verified that
24 we have not imported such components. Moreover, since
25 the antidumping duty order, HPI has not imported any

1 floor standing metal top ironing tables from Forever
2 Holdings or from anyone else other than at most a
3 handful of samples for analysis.

4 I wish for these important points to be
5 abundantly clear to all concerned. As I discussed
6 earlier, we have a workforce that has demonstrated its
7 loyalty and its ability to advance our
8 competitiveness. I say without reservation that our
9 folks are fully prepared to compete and succeed given
10 a fair field of play. Given the opportunity to do so,
11 we will continue supporting our customers with the
12 high degree of quality and service for which we are
13 known. Thank you for the opportunity to have
14 presented this information to you.

15 MR. IKENSON: May I have a time check
16 please?

17 MS. ABBOTT: Seventeen and a half minutes
18 elapsed.

19 MS. VOLLES: Hello. My name is Jackie
20 Volles, and I am the Executive Vice President of Sales
21 and Marketing at HPI. My 28-year career has spanned
22 roles in sales, marketing, product development, and
23 retail sales and buying for various houseworth
24 companies and retailers. Thank you for the
25 opportunity to allow us to share with you how

1 revocation of the antidumping duty order would have an
2 impact on HPI's business in the garment care category.

3 According to market research, approximately
4 70 percent of U.S. households own an ironing boards,
5 10 percent do not iron, and 20 percent use another
6 surface for their occasional ironing, that might be a
7 tabletop, a bed, or even the floor. Of the 70 percent
8 that do own ironing boards, approximately 87 percent
9 own floor standing ironing boards. The purchaser is
10 primarily female, 98 percent of the purchases are made
11 by women.

12 There are three significant events that
13 drive the sale or the purchase of an ironing table.
14 We have the establishment of a new household, a move.
15 The second is a wedding, and the third is a return to
16 college. And it's really the back-to-college
17 component that makes the ironing board business
18 seasonal, having a peak in the summer with sales. In
19 recent years, some retailers have attempted a January
20 spring cleaning event to try to increase sales.
21 However, that did not drive incremental sales, it
22 simply shifted first quarter sales a little bit
23 earlier in the year.

24 Once consumers own a board, they don't part
25 with it very easily. Recent focus groups identified

1 that some consumers will hold on to their boards for
2 20 or more years. Ironing boards are considered part
3 of the ritual of establishing a new home, and after
4 that we don't think about it that much. Therefore the
5 consumer's first purchase is an important and lasting
6 impression. It's no surprise that consumers don't
7 purchase many ironing boards in a lifetime because
8 ironing is not a task that consumers enjoy.

9 In fact, outside of cleaning toilets and the
10 refrigerator, ironing is the least favorite household
11 task. The market for ironing boards has been somewhat
12 stable or slightly declining over the past few years.
13 While the number of students and weddings remain
14 somewhat constant, declines in economic activity have
15 led to fewer new households being started. In 2006,
16 6.5 million homes were sold, and in 2008 that number
17 had already dropped to 4.9 million.

18 Ironing boards are classified within the
19 garment care category. Other products within this
20 category include covers and pads and laundry
21 accessories. Ironing boards represent less than a
22 third of sales in the category. While suppliers have
23 provided data to the market to suggest that the
24 category is flat, we have seen a shift in sales from
25 ironing tables to laundry accessories in the last year

1 or so.

2 The mass channel by far represents the major
3 portion of sales in ironing, about 60 percent.
4 However, this is a category with broad distribution
5 across all channels, specialty big box stores about 20
6 percent, hardware home improvement about 5,
7 hospitality about 9, food drugs 12, and even the
8 dollar stores. HPI's distribution mirrors the
9 industry with the majority of sales in the mass,
10 although we do enjoy distribution across all channels
11 of trade.

12 E-commerce product placement has been a
13 great outlet for smaller niche players. It has
14 created an outlet for the higher end boards which may
15 not justify real estate in brick and mortar locations.
16 It has provided an outlet for displaying a broad range
17 of boards at a broad range of price points, and in
18 that regard, it's been an important channel and a
19 viable channel for brand building.

20 Offering a full range of products including
21 the value T legs through high end professional boards
22 has been a part of HPI's market development strategy
23 for a couple of years. In fact, we've had success
24 with recent placement of the high end \$100
25 professional board, exhibit number 5, at Bed, Bath, &

1 Beyond. This placement demonstrates HPI's desire,
2 commitment, and ability to offer a full range of
3 products within the program within the category.

4 E-commerce placement is also a strategic
5 initiative for HPI. It's a natural extension to our
6 brick and mortar placement. Research tells us that
7 consumers often reference websites before making an
8 in-store purchase, therefore our efforts must continue
9 in this direction. Again, the mass channel represents
10 the largest percent of sales, over 60 percent. In the
11 mass channel, as is true of all channels, it's a key
12 item game. And it is the T leg, exhibit number 1 and
13 2, that is the leading high volume key item in the
14 industry.

15 However, it's not the fact that the leg is
16 shaped in a T that sells the item, it's really all
17 about the price, and HPI has become quite efficient in
18 our production methods and therefore we have earned
19 the distribution of most major retailers with our T
20 leg board. When fair pricing practices are in place,
21 HPI can be competitive with this item as the high
22 volume opening price point board in the industry.

23 HPI is also competitive with the four leg
24 board when fair pricing practices are in place, and
25 over the years, as David mentioned, we have continued

1 to reinvent this item, making modification to assure
2 that we consistently offer the best product at the
3 best price to our customers and ultimately the
4 consumer. Concurrently, we have invested in design
5 efforts.

6 We continue to fill the price point gap
7 between our opening price point T leg and our \$100
8 retail professional board. We evaluate product
9 features, leg designs, finishes, and accessories that
10 will offer differentiation to our customers. With
11 these efforts, we gained the placement, as I mentioned
12 before, at Bed, Bath, & Beyond with the high end
13 board, but we also gained placement at Walmart with
14 our high end board, two significant market players.

15 Consumer research has also developed as a
16 strong discipline in HPI's culture because the ironing
17 task itself hasn't changed over the years. In fact
18 ironing and the ironing table have remained virtually
19 unchanged since Harvey Vandenberg invented it in 1858,
20 but we have engaged in consumer research to better
21 understand the ironer's lifestyle around the task.
22 This has been done so we can enhance the consumer
23 experience while ironing.

24 As we said before, we know ironing is not an
25 enjoyable task, but the ironer, most commonly a woman,

1 irons because she takes pride in having her family
2 look presentable. It's about the end result, it is
3 not about the task. Over 50 percent of women are in
4 the workforce, with a significant percent in
5 managerial positions, yet in spite of that fact that
6 there are more women in the workforce, she is still
7 the primary owner of the task. In 63 percent of the
8 households, she is the primary owner. In 13 percent
9 it's shared, 9 percent it's the male, and the rest is
10 either a mother-in-law, another family member, or a
11 maid.

12 As the primary owner of the task, therefore,
13 we know she is time stressed, she's an on-the-go
14 ironer. In fact, 86 percent of ironing is on the go.
15 This means she engages in the task as the garment
16 needs to be worn, not before. She is not a batch
17 ironer, she doesn't gather garments that need to be
18 ironed and create a weekly event out of the task.
19 Acknowledging her on-the-go habit leads us to no
20 surprise in knowing that 30 percent of the ironing
21 takes place in the bedroom.

22 These consumer insights help us understand
23 how to respond to her needs. Knowing that the primary
24 location for ironing in the bedroom also helps us
25 recognize the importance of fashion in the board.

1 This and other ethnographic research offers incredible
2 insight and leads us to new product and innovation.
3 Research provides insight to the task and also
4 provides feedback on product improvement that we may
5 not have otherwise understood was important.

6 One recent improvement is the no-squeak
7 mechanism on the T leg. Because price is such a
8 critical component in selling this item, our focus
9 over the years has been to reduce the cost and
10 maintain the lowest possible price for the retailer.
11 We seldom thought to truly understand the consumer
12 experience with this particular board, exhibit 1. But
13 through research efforts we learned that it would be
14 important to eliminate the squeak in the task
15 experience.

16 Other new product enhancements to the
17 ironing task include new iron rests that allow the
18 consumer to use the ironing surface when she needs the
19 entire surface but when she wants an iron rest it's a
20 removable iron rest and she can also use it when she
21 needs a rest for her iron. Another includes an iron
22 rest that accommodates the storage of the iron when
23 the board is being stored away.

24 In addition to product improvements, HPI has
25 also invested in continuing to reduce waste in

1 packaging. We consistently evaluate corrugate,
2 packaging nuances, chew for shipping to improve
3 efficiency, and in spots we use recycled paint to
4 support green efforts. Revocation of the antidumping
5 duty would have an immediate impact on our business in
6 two regards. First would be an immediate impact on
7 sales, and I will walk you through an example, and
8 second, although it may seem less important in the big
9 picture, is a significant reduction in our ability to
10 invest in research and new product development
11 efforts.

12 But first let's talk about how we know there
13 would be an immediate impact on sales. We have an
14 example of a recent incident in Canada that leads us
15 to understand what might happen here in the United
16 States if there is no antidumping duty in place. Late
17 in 2008 we had secured significant placement with two
18 key Canadian retailers. Early in 2009 we fully
19 expected to maintain that business and keep it going
20 throughout the year. However, in April we were
21 notified that we were losing the business to Chinese
22 imports.

23 We immediately requoted the assortment at a
24 very low price only to lose the business anyway. I
25 have to admit, I'm not sure how an effective,

1 efficiently produced T leg in the United States could
2 be more expensive than a board being imported from
3 China. It only makes me wonder what would happen to
4 the T leg business if there was no tariff in place.
5 Unfair pricing practices would most certainly cause us
6 to lose significant sales in our number one item.

7 In light of this example, I can only infer
8 that there would be an immediate impact on our fourth
9 quarter sales this year. Retailers could quickly
10 replace our products with lower cost options. Again,
11 if product is fairly priced then HPI can compete, but
12 we can't compete with dumped product. Shortly
13 thereafter, we would be going to enter the competitive
14 line review process with our retailers, sometimes
15 referenced as the CLR. It's an annual assortment
16 review at each buyer initiates with suppliers.

17 Each supplier first shares a broad range of
18 products to the customer and then the customer reviews
19 and provides feedback and invites suppliers to bid on
20 certain items. At the end of the bidding process,
21 which could be a day or two, sometimes a little bit
22 longer, a supplier is awarded with the business for
23 the following year. If revocation took place and
24 unfair pricing practices resurfaced, we would
25 immediately begin to lose business and find ourselves

1 in the unfortunate position of ceasing domestic
2 production or shipping product for low cost.

3 Another factor that comes to play is the
4 role of the retailer. The role of the retailer and
5 the supplier has changed dramatically since I was a
6 buyer many years ago. There were many more retailers
7 then, and as buyers we often found ourselves at the
8 mercy of our suppliers when it came to product
9 availability and pricing. Today, however, we find
10 ourselves in a different market.

11 Brand loyalty, and in this category
12 especially, is more about the retailer than it is the
13 supplier. There have been many retailer
14 consolidations, and these retailers have invested
15 heavily in store brands. Not only have they become a
16 larger selling unit, they have also created their own
17 product development teams. Maintaining placement of
18 high volume, low margin items allows us to continue to
19 invest in design and innovation of new products.

20 Revocation would quickly lead to the loss of
21 placement of these items and would inhibit our ability
22 to continue to innovate. The dynamics of success in
23 this category are multifaceted. Pricing, product, and
24 raw material costs all play a role. HPI did see a
25 positive effect on volume and price after the

1 antidumping duty order was in place in 2004. And
2 although the economy did take a turn for the worst
3 since then, had the order not been in place the
4 effects on HPI would have been devastating.

5 The ironing table market is not a large
6 market, and it probably won't see any significant
7 growth or decline in the next few years. However, it
8 is an industry that still proudly employs American
9 factory workers, and we know that revocation of the
10 antidumping duty would undoubtedly change that in the
11 very near term, as early as this year, but most
12 certainly in 2011. thank you.

13 MR. BRADLEY: Thank you. I am Mike Bradley,
14 and as the slide says I'm a professor of economics at
15 GW here in town. I heard Ms. Volles say that she
16 started her career 28 years ago, and by way of
17 coincidence I started teaching at GW 28 years ago. So
18 we didn't know we'd end up 28 years together at the
19 same place, but here we are. You've heard some very
20 excellent factual testimony. Mr. Kogan and Ms. Volles
21 explained the operational side of HPI and the market
22 side of HPI.

23 And what I'd like to do in just a couple
24 minutes is to present to the Commission an analytical
25 framework that I think would be useful particularly

1 for sunset review decisions that require the
2 Commission to anticipate in a what-if mode what would
3 happen if the tariff changed. Before I do that, I
4 want to just do two economic predicates, with their
5 factual predicates, talk a little bit about what's
6 happened with conditions of competition and what
7 impact the duty order had on the domestic industry,
8 and then I want to talk about that analytical
9 framework.

10 I'm going to try to use my clicker, but I
11 believe anyone who's over 50 gets some grace in using
12 new technology, so I ask your forbearance if it
13 doesn't work right. The first thing I want to briefly
14 talk about is change in competition, and fortunately I
15 think we're in a case here where fundamentally things
16 are the same now as they were when the Commission did
17 its final investigation.

18 The technology of production is the same,
19 the retail channels are the same, the nature of the
20 task, the substitutes, the availability, what people
21 do otherwise, are pretty much all the same. But there
22 are two things I want to bring to your attention that
23 I think are important to consider in doing that
24 exercise of what if the duty order was revoked. One
25 of them happens to be on, this is classic for

1 economics, but one happens to be on the demand side
2 and one happens to be on the supply side.

3 The demand side change, I'm sure you're
4 familiar with, and it's the recession. As you well
5 know, the recession of '08 '09 was focused on the
6 goods part of the economy. Most quarters services
7 really didn't even decline in terms of real GDP
8 contribution. And in particular, it was focused on
9 durable goods. And the attention's more on the big
10 ticket durables like automobiles, but all durable
11 goods suffered.

12 Ironing tables are a durable good, and as
13 Ms. Volles said, they are greatly influenced by new
14 home formation, and as you well know the crisis in the
15 housing industry cut new home production in half and
16 ultimately affected the overall demand. Of course,
17 from HPI's perspective, the domestic industry's
18 perspective, this means that the normal effect of
19 rising shipments after duty order is put in place was
20 blunted by a decline in overall demand.

21 The other thing that happened Mr. Kogan
22 referred to, and that was on the supply side, and that
23 was an increase in steel prices. Both '04 right after
24 the duty order went in place and again in '08 there
25 was large increases in steel. And as you can see,

1 overwhelming majority of the cost, even including
2 labor, is steel. So when steel prices go up, the cost
3 of producing a board goes up.

4 The other thing I think that matters is they
5 often do what's called competitive line review where
6 the prices for next year's items are set almost a year
7 in advance. So when they get steel increase like
8 this, there's a lag between when the steel price goes
9 up and when they could even respond to change their
10 price. Moreover, they're small relative to their
11 customers, and they face the same sort of problems
12 that suppliers too like the auto industry face where
13 they just don't really have much pricing pressure.

14 Together, the cap on demand, in fact the
15 decline in '09 in demand, from recessions and the
16 rising cost obviously influenced their operating
17 performance. You know, they got pushed from both
18 sides, and so if you look at their operating
19 performance, the conditions of competition have to be
20 something to take into account when you think about
21 it. From their perspective, thank goodness for the
22 duty order because that's what really allowed them to
23 get through that period of time when those two things
24 were happening.

25 The classic mechanisms were in place. Of

1 course if you put a duty order in place and exports
2 are kept out of the market, that's going to allow
3 domestic shipments to rise. And the surge in fact was
4 reduced, the public data clearly show imports fell
5 throughout the period. In addition, the other factor
6 that's going to happen is price depression was
7 alleviated.

8 The Commission found price depression back
9 in the final investigation, and there was an ability
10 to modestly raise price. However, you know, there's
11 kind of a but there, and the but is those two things
12 we already talked about. At the same time these
13 positives were happening, steel prices were going up
14 and in the very end of the period the recession
15 occurred. So kind of like my graphic here, HPI was
16 doing their best to get going, but these two other
17 factors reduced their operating performance.

18 The point I'm trying to make here is that if
19 you look at their operating conditions, they don't
20 necessarily reflect the traditional recovery we would
21 expect to see in a domestic industry right away after
22 the duty order was put in place, but as Ms. Volles
23 said, clearly things would have been a lot worse had
24 they not had the duty order, and I think it's very
25 fair to say they may not have been able to make it

1 through the five-year period had that not been in
2 place, it's quite reasonable.

3 Okay, with those two pieces in the
4 background I'd like to turn to the main issue, and
5 that is thinking about the type of decision that has
6 to be made in this sunset review. When Mr. Ikenson
7 asked me to think about this issue, it immediately
8 appealed to me from other areas of policy that I've
9 studied that this type of decision made by the
10 International Trade Commission has the aspect of it
11 that's similar to other types of decisions that
12 commissions and other government policy makers make,
13 and that's a requirement to be what I call
14 prospective.

15 We're not looking back and saying, okay what
16 happened? We're looking forward and saying, what if.
17 And economists like to call this the counterfactual,
18 right, because it's not real. You're not saying, you
19 know, this is what happened, you're going to say, what
20 would happen if we change things? Now, this is
21 something that policy makers have to do whether it's
22 Federal Reserve or the Federal Trade Commission or the
23 Federal Communications Commission, they do this and
24 they have a mechanism for doing it which is called,
25 kind of a fancy name but, forward looking policy

1 analysis.

2 But I think the name's revealing because
3 it's requiring policy makers like yourselves to look
4 forward. And that mode of analysis in what's called
5 the theory of economic policy has three steps. First
6 step I think is quite logical, and that is, let's
7 think about what are going to be the important
8 reactions to the policy change. Who are going to be
9 the economic agents who change their behavior first
10 when the policy change is made, okay?

11 Clearly that's going to drive all the
12 reactions that we see subsequent to do that. Second,
13 we're going to want to know what the environment is
14 likely to be like. What's the environment going to be
15 when these changes take place, how will that influence
16 other economic agents, you know, covered by the
17 policy, and the overall outcome? And then quite
18 reasonably, let's take the first one, the important
19 changes, add it to the second one, which would be the
20 economic environment, and do an overall assessment,
21 put them together.

22 This is a general framework but I think very
23 applicable to a sunset review decision because it
24 requires basically the Commissioners to think about,
25 you know, the possible policy change here is

1 revocation or not. So I think it's very applicable to
2 answering or trying to answer the kind of question
3 would be, what would happen if antidumping duty order
4 goes away? So I'd like just to take five minutes and
5 apply it to the case at hand to show you how it would
6 work.

7 Step one, remember, was, let's try to
8 anticipate who are going to be the people who react
9 first, who are the prime movers in response to
10 revocation? And I think just upon reflection it would
11 be pretty clear that that is going to be the
12 importers, all right, because they are the ones first
13 who are affected by removal of a duty order. I think
14 if we look at past behavior and current economic
15 incentives, it's quite likely that removal of the
16 order would lead to an increase in imports in the U.S.

17 As you found in the final investigation
18 before the order was in place, Chinese imports were
19 surging both absolutely and relative to the size of
20 the market, they were definitely increasing. While
21 the duty order was in place imports did not completely
22 disappear. The U.S. is a large market, it was
23 attractive, it's remained attractive. The Chinese
24 manufacturing has substantial capacity, they can
25 easily serve the U.S. market while selling into Europe

1 and other places in the world.

2 And as Mr. Ikenson said earlier, there is a
3 duty order, a barrier to importation in Europe, so
4 should the order be revoked here that would be clear
5 incentive to bring a product to the U.S. rather than
6 into Europe. So I think on the quantity side it's
7 quite reasonable to expect that we would likely see an
8 increase in quantity of imports. Question is, what
9 about prices? What's going to happen on the price
10 side?

11 And I think again we have to think about the
12 nature of this product, all right? If we think about
13 the Chinese ironing tables and the U.S. ironing
14 tables, the Chinese really don't have an advantage in
15 quality, they're very similar, they don't have an
16 advantage in features, they both can make opening
17 price point or high end ironing tables, they don't
18 have a reliability or service or any other advantages
19 over the domestic producer.

20 The way they compete is the way they
21 competed last time, and that's on price, because from
22 the customer's perspective these products are pretty
23 similar, they're pretty much interchangeable. In
24 fact, many of the retailers put their own brand name
25 on them, and so they can easily substitute a Chinese

1 for the domestic, okay? Chinese imports competed on
2 price the last time, as Ms. Volles said, they competed
3 on price or seem to be competing on price right now in
4 Canada, so I think that that suggests that secondly
5 not only will we see an increase in imports but
6 they're likely to be at low prices, that's how they're
7 going to penetrate the market, that's quite rational.

8 That's number one, more imports and at lower
9 prices. Secondly, what are the key aspects of the
10 environment in which this is going to take place?
11 One, ironing table demand is event driven, that means
12 people don't necessarily buy ironing tables because
13 they're on sale, they buy them because either their
14 old one wears out after 20 or 25 years, or more likely
15 there's a new household being made.

16 That means ironing table demand is likely to
17 grow relatively slowly and in fact perhaps not even
18 grow because if we think about the availability of
19 wrinkle-free fabrics, we think about people's
20 lifestyle, we think about the way dress has changed,
21 the demand for ironing is probably going to gradually
22 decline through time. Same thing on the price side.
23 If ironing table prices fell, it's not going to make a
24 big difference in the amount of ironing tables that
25 consumers buy. So if imports come in and lower

1 prices, it's not going to expand the market.

2 What this means taken all together is,
3 there's not going to be any surge in overall demand to
4 cushion the impact of the importance. All right, the
5 other thing that's important to keep in mind is that
6 the domestic industry is vulnerable. As Mr. Ikenson
7 has said, the benefits to the order were partially
8 mitigated. We know the recession reduced the overall
9 ironing table demand.

10 And the last one I think is important to
11 understand for vulnerability, and that is this
12 characteristic of the inability of the ironing table
13 industry to pass on price increases when their cost
14 increases go up. They get caught in the squeeze
15 between large customers and large steel suppliers.
16 And what that does is basically drive down the size of
17 their margins. Why does that make them vulnerable?
18 Well, there's not much of a price decline that they
19 can take until they become to get below cost, so they
20 don't have a big cushion in there to lower prices to
21 try to keep their businesses.

22 So I think we can say they haven't fully
23 recovered their health from when the duty order was
24 put in place, and they continue to have this
25 vulnerability as we go forward. Okay, summing it up,

1 if we take the changes that we expect and we think
2 about that environment, what would be a reasonable
3 overall assessment of revocation? Three things
4 probably going to happen.

5 We think that there will be a surge of
6 imports, quantity of imports coming into the U.S. will
7 be increased. We think that the way imports are going
8 to compete this time are going to be exactly like the
9 way they competed last time, and that's through price
10 depression, they're going to lower prices. There's
11 not going to be much change in total demand, that's
12 the nature of the product. So if we think about it,
13 we're going to have a situation in which we're going
14 to have more Chinese ironing tables coming into the
15 U.S. with a fairly stable total sales.

16 What that means of course, what it has to
17 mean, is a one for one substitution, that every
18 Chinese sale is going to be a loss of domestic sale.
19 The other thing to keep in mind is, to the extent that
20 competition for sales is on the basis of prices,
21 that's going to have the classic price depression
22 effect of not just causing them to sell fewer models
23 but lowering the price on the ones that they continue
24 to sell.

25 Together, I think that the loss of sales and

1 the lower prices suggest that there is quite likely, I
2 think it's very logical and very reasonable, quite
3 likely that Chinese imports will materially injure the
4 domestic industry upon revocation. I think it's a
5 good factual basis and I think the legal structure
6 suggests that. I thank you very much for your
7 attention and would be glad to answer any questions
8 that you have. Thanks.

9 MR. IKENSON: That concludes our
10 presentation, Madam Chairman.

11 CHAIRMAN ARANOFF: Well, I want to say good
12 morning to the morning panel, and thank you very much
13 for taking time away from your business to join us
14 here today and answer our questions, and in particular
15 we also thank you for bringing so many examples of
16 your product, it's really helpful to help us
17 visualize, not that I am any stranger to ironing
18 boards, but some of my colleagues may be. I also find
19 out that I'm in a minority because I actually do save
20 up my ironing and then do it all at once. But in any
21 event, we're going to begin the questioning this
22 morning with Commissioner Pinkert.

23 COMMISSIONER PINKERT: Thank you, Madam
24 Chairman, and I am not one of your colleagues who is
25 unfamiliar with ironing. In any event, I want to

1 begin with a rather contentious issue that you
2 certainly alluded to in your testimony, Mr. Ikenson,
3 and I know that the counsel for the other side has
4 talked about it quite a bit. I am wondering whether
5 rather than being an importer of the subject product
6 whether HPI has a business relationship with an
7 importer of the subject product from Forever Holdings?

8 MR. IKENSON: You're asking whether HPI has
9 a relationship with another importer who is importing
10 from Forever Holding?

11 COMMISSIONER PINKERT: Correct.

12 MR. IKENSON: To my knowledge there is no
13 such relationship.

14 COMMISSIONER PINKERT: Is there anybody in
15 the panel that can comment on that issue as well?

16 MR. KOGAN: The question is do we have a
17 relationship with another importer importing from
18 Forever into the United States. Not to my knowledge.

19 COMMISSIONER PINKERT: Thank you. Now,
20 turning to a product that was mentioned today that I
21 also have some familiarity with, the wrinkle free
22 fabrics, does the wrinkle free fabric really reduce
23 the need for ironing? It may reduce the amount of
24 time one spends ironing a particular garment, but are
25 they truly wrinkle free?

1 MS. VOLLES: That probably depends how
2 quickly you take it out of the drier. So, you know,
3 perhaps if you take it out when it's warm and you hang
4 it up immediately it may be wrinkle free if it's
5 hanging. But you bring up a very good point, there is
6 certainly many items in the home that although they
7 claim to be wrinkle free under certain conditions will
8 need an iron.

9 COMMISSIONER PINKERT: Thank you. I need to
10 be a little bit more careful about getting those items
11 out of the drier. Now, turning to the private
12 settlement allegations, and perhaps this is a question
13 for Mr. Ikenson, what is the legal relevance of the
14 private settlement claims that we've heard today?

15 MR. IKENSON: First of all, private
16 settlement claims or private settlement allegations
17 were not really clear. To me, private settlement
18 comes up in antidumping practice during a Commerce
19 Department review when there is a quid pro quo between
20 the domestic industry the petitioner and a respondent
21 where the respondent agrees to forego some
22 consideration for the forbearance of the petitioner in
23 asking for a review. Nothing like that has happened,
24 if that's what Mr. Perry is suggesting.

25 But to answer your question, Commissioner

1 Pinkert, I really don't see the relevance of any
2 agreement that HPI might have with any Chinese
3 manufacturer whether it's Forever or anyone else. I
4 think the issue is, is HPI importing or are we
5 arranging for imports into the United States? Mr.
6 Perry is I think curious, he's suspecting something,
7 but that's not the really important issue. The
8 important issue is are we importing or are we
9 facilitating imports into the United States? The
10 answer to those questions is absolutely not, and those
11 are potentially relevant questions.

12 We are not importing, we are not
13 facilitating imports. The only thing coming close to
14 the facilitation of imports were the drop shipments
15 that were done in 2004 and 2005, not 2006, Mr. Perry
16 and his clients are absolutely wrong in identifying
17 the shipments in 2006 as being part of this
18 arrangement. In fact, if you look at their brief the
19 exporter of Since Hardware, or Best Unity which
20 related party, identifies a small amount of exports in
21 2006 where she's indicated she hadn't looked up who
22 the consignee was but it wasn't Target.

23 Well, had she looked it up she would have
24 seen that the consignee was in a different country.
25 So those were not imports into the United States. But

1 the direct imports into the United States in '04 and
2 '05 were negotiated prior to the antidumping duty
3 order, and it was, as I said in my introduction, it
4 was not a part of the policy or program on HPI's part
5 to encourage imports, we were trying to discourage
6 imports.

7 We were trying to convince customers that if
8 you import now, with an antidumping duty in place, and
9 at that time there was a preliminary determination by
10 the Commerce Department in February '04 and then there
11 was a final determination in June '04, there were
12 discussions during that period and there were
13 discussions in July before the order where HPI was
14 trying to convince its customers that the fact that
15 there is a modest duty on Since Hardware products
16 doesn't get you out of the soup, because that duty
17 could go up.

18 Whereas if you buy from us, buy product that
19 we make in Seymour, Indiana, you would have certainty
20 in price. That's what HPI was trying to do. So the
21 suggestion here is really wrong. The suggestion is
22 that we're really not content with selling what we
23 manufacture but rather selling what's made in China.
24 So to answer your question fully, it would be relevant
25 if we were doing that today, but we're not.

1 COMMISSIONER PINKERT: Thank you. Now, Dr.
2 Bradley, the staff report indicates that from 2004 to
3 2009 U.S. imports from nonsubject countries decreased
4 markedly. I'm wondering if you can explain that trend
5 for us, and also address how that relates to the
6 counterfactual that you analyzed?

7 MR. BRADLEY: I think my colleagues may be
8 able to help with some of the factual basis for it,
9 but I will take a stab and let them correct me. My
10 understanding was that as the period progressed there
11 was somewhat of a shift in demand away from the higher
12 price point or the more expensive boards down towards
13 the lower parts of the market, and it's my
14 understanding, and they will correct me, that those
15 nonsubject imports are more concentrated in the upper
16 end of the market, and I think that that might have
17 been a contribution to -- is that correct?

18 MS. VOLLES: I have to admit I don't clearly
19 understand the question.

20 COMMISSIONER PINKERT: When we talk about
21 nonsubject we're talking about imports that are not
22 covered by this order against the Chinese product. So
23 typically we'd be talking about imports from other
24 countries.

25 MS. VOLLES: Oh, and that they also drop?

1 MR. BRADLEY: Yes, why would they have
2 dropped. To address the second part of your question
3 --

4 COMMISSIONER PINKERT: That could be
5 something addressed in the posthearing submission.

6 MR. BRADLEY: Yes, we will, thank you. The
7 second part of your question was, what would be the
8 role of these in the analytical framework? And I
9 think, I didn't actually go into it because of time,
10 but I did think about it, and I think the role of
11 nonsubject imports would be in the secondary part.
12 You know, we would have, say a revocation, that would
13 affect subject imports and that would affect prices
14 and quantities in the U.S., and then like domestic
15 industries, the nonsubject imports would react to that
16 change.

17 And I think, although it obviously
18 contradicts with the data that you just cited,
19 theoretically what that would do would be reduce the
20 attractiveness of the U.S. market to nonsubject
21 imports because if prices are lower here then their
22 ability to sell at the prices they were selling before
23 revocation has been diminished. So what it would
24 probably do would be reduce their interest and ability
25 to sell in the U.S. market.

1 COMMISSIONER PINKERT: Thank you. One quick
2 follow up which could also be addressed in the
3 posthearing submission. Have you seen or are you
4 aware of ironing tables imported from Mexico into the
5 U.S. market during that period from 2004 to 2009?

6 MS. VOLLES: I am personally not aware, but
7 would certainly follow up in the posthearing brief.

8 COMMISSIONER PINKERT: Thank you. Thank
9 you, Madam Chairman.

10 CHAIRMAN ARANOFF: Do retailers, how many
11 models of ironing board does a retailer typically
12 carry?

13 MS. VOLLES: On average it's about four.
14 There's usually an opening price point T leg, and it
15 will range, and usually there's a four leg as well,
16 and then there will either be one or two other models.
17 And then the price range, depending on the retailer,
18 your high end could be considered \$40 or it could be a
19 \$100 board.

20 CHAIRMAN ARANOFF: Does research with
21 consumers show that a consumer is usually, you know,
22 going to one of these stores to buy a whole range of
23 products when they're setting up a home and so they're
24 just going to, you know, pick an ironing board and go
25 home with it, or does it show that they'll actually go

1 from store to store looking for features or prices
2 that they want for this product?

3 MS. VOLLES: Most often it is not an item
4 that -- most often the loyalty is to the retailer and
5 you select a retailer for your purchases and that
6 becomes part of a basket.

7 CHAIRMAN ARANOFF: So I took from your
8 testimony that ironing tables are sold under private
9 label brands or at least retailers' store brands. Do
10 you sell products both private label and under your
11 own brand names?

12 MS. VOLLES: We do sell both, yes. There
13 are a variety of retailers that purchase our product
14 with the Homes brand on them, and the larger
15 retailers, it gives them the flexibility to carry
16 products from several suppliers and they do their
17 private label. So we accommodate the private label
18 branding for them.

19 CHAIRMAN ARANOFF: Can you give me
20 approximately how much of the product that you produce
21 is sold privately versus under your own brand name?

22 MS. VOLLES: Can I think about it for a
23 minute?

24 CHAIRMAN ARANOFF: Okay, sure.

25 MS. VOLLES: Or probably respond in the

1 posthearing?

2 CHAIRMAN ARANOFF: Yeah, I mean I'd be happy
3 with a response in the posthearing, I'm just trying to
4 get a kind of order of magnitude, whether one is much
5 bigger than the other or they're about the same.

6 MS. VOLLES: Okay, right.

7 CHAIRMAN ARANOFF: At some retailers do your
8 own name brand products compete with the private label
9 product that you've also made?

10 MS. VOLLES: For the most part it's one or
11 the other, but I will get you detailed specifics to
12 make sure that I'm not stating something incorrectly,
13 but for the most part it's one or the other.

14 CHAIRMAN ARANOFF: And with respect to
15 imports from China, are those generally sold as
16 private label products or are there also name brand
17 product coming in from Chinese manufacturers?

18 MS. VOLLES: A retailer could select an item
19 and purchase the like item both from domestic
20 production as well as in import and it will have the
21 same label on it. So the consumer won't know in the
22 store which one they're purchasing.

23 CHAIRMAN ARANOFF: That's with respect to
24 the private label, right?

25 MS. VOLLES: Correct.

1 CHAIRMAN ARANOFF: Okay, but are you aware
2 of any brand names that are owned for Chinese
3 producers for their own production that are being sold
4 in stores?

5 MS. VOLLES: I am not aware.

6 CHAIRMAN ARANOFF: So they're selling
7 principally or maybe entirely through private label?

8 MS. VOLLES: I would say that's fairly
9 accurate.

10 CHAIRMAN ARANOFF: Okay. Let me turn then,
11 these are probably questions for Mr. Kogan, but from
12 whom do you buy your steel inputs?

13 MR. KOGAN: We buy, being located in south
14 central Indiana, we buy the majority of our steel
15 inputs from the Midwest, Ohio, Michigan, Indiana.

16 CHAIRMAN ARANOFF: Are you buying through
17 service centers or direct from manufacturers?

18 MR. KOGAN: We buy through service centers,
19 through the intermediaries.

20 CHAIRMAN ARANOFF: And are you buying
21 basically on a spot basis, and how often?

22 MR. KOGAN: We have a quarterly process that
23 we use to engage our steel buys. We set out to
24 auction with approximately 30 or so service centers
25 for our quarterly needs about a quarter and a half

1 ahead of time so that we can accommodate the mill lead
2 times that are currently being communicated out to the
3 marketplace. So we'll do four offerings a year for
4 our quarterly needs.

5 CHAIRMAN ARANOFF: Okay, so if you're buying
6 through auction and when the service centers are
7 buying from the mills they're paying raw material
8 surcharges that are, you know, absorbing the
9 fluctuations in steel prices, but by the time that
10 they're selling to you through an auction they're not
11 passing that through through some distinct mechanism.

12 MR. KOGAN: Well, the way that that
13 particular space works in the industry is that the
14 service centers will negotiate with the mills so as
15 they're preparing to make an offer to us for our
16 quarterly needs they will get a commitment from the
17 steel mills to honor that pricing for the period of
18 time for the quarter that's in question that we're
19 having priced. So they will get a firm commitment
20 from the mills. Now, there have been times in several
21 years past when mills have reneged on those
22 commitments, but that hasn't happened in quite a
23 while.

24 CHAIRMAN ARANOFF: So the fact that you're
25 buying from and auctioning from such a large number of

1 service centers, that in some ways allows you to have
2 more leverage over the large sellers, the mills,
3 because you're not dealing with one entity.

4 MR. KOGAN: Well, actually the mills have
5 all the control. The mills set the prices and the way
6 that it typically works, as soon as a mill comes out
7 with a new increase, as has just happened last week
8 one of the major mills came out with a 2 cent per
9 pound increase, the rest of the mills typically fall
10 in line. Once they see that those prices are going to
11 hold, they stay in line.

12 Actually the service centers have very
13 little weight in the overall negotiation with the
14 mills, that just doesn't happen. There are so many
15 players in the service center industry that it's
16 fairly disaggregated, and it's a very low margin
17 business at the service center level, so they really
18 don't bring a lot to bear.

19 I will add though, there are some service
20 centers that have a national footprint and, you know,
21 they are able to buy more steel from the mills in the
22 aggregate. And so invariably from time to time they
23 do get better overall pricing. So we do see that.

24 CHAIRMAN ARANOFF: When you seek steel for
25 your production, do you care whether it's domestic or

1 imported?

2 MR. KOGAN: It doesn't matter, although we
3 have studied this, and the domestic steel offerings in
4 recent history and as we look forward in 2010 are
5 competitive. But for our actual needs, as long as the
6 quality and the efficacy of the material is what it
7 is, however sourcing domestically -- there are other
8 insidious costs to the operations to foreign source.
9 You typically have to buy much larger lots at a time,
10 typically you have to carry significantly more
11 inventory in each occasion.

12 What we do by buying domestically, and in
13 particular in the Midwest through service centers, is
14 we're able to keep our inventories extremely lean,
15 reduce our capital costs to deploy for raw materials
16 and so forth. So there are, the spread between
17 foreign material and domestic material would have to
18 be substantial for us to make an economic argument to
19 be able to do that.

20 CHAIRMAN ARANOFF: Let me turn and ask a
21 couple questions about plastic topped ironing tables.
22 I understand that HPI sells a product called
23 Revolution 360, is that right? Can you tell me what
24 that product is and to what extent it competes with
25 your products that we have in front of us today?

1 MS. VOLLES: It is a new introduction from
2 about two years ago. And it is a higher end board
3 even more expensive than our professional board here.
4 It's a completely new way of looking at ironing
5 because the top rotates, and therefore in order for
6 the top to rotate and flip so that you can iron both
7 sides of a garment without repositioning the garment
8 it required for the material to be a plastic top. So
9 it does not compete with anything that we have here in
10 this assortment, it really was to position ourselves
11 in the marketplace as being an innovative leader and
12 continue to be recognized as a leader in the industry,
13 and it's fringe but unique.

14 CHAIRMAN ARANOFF: Are there other plastic
15 topped boards in the U.S. market either at that price
16 point or at lower price points?

17 MS. VOLLES: I have seen just a very few.
18 Jury is out if the consumer will accept a plastic top
19 board and how long it will take for her to accept a
20 different surface. She has been using a metal top --
21 she or he or anyone -- been using metal top ironing
22 boards for a period of time, and consumers are pretty
23 slow to change. So I'm not sure what the acceptance
24 will be, but there are a few sprinkled in the
25 marketplace today.

1 CHAIRMAN ARANOFF: To what extent is one of
2 the driving factors behind development of plastic
3 topped boards the cost of steel? Or is it entirely
4 driven by the product innovation features that you've
5 described? Are people just, manufacturers trying to
6 get away from steel to save money?

7 MS. VOLLES: Plastic on a pound for pound
8 basis is still more expensive than steel.

9 CHAIRMAN ARANOFF: Okay, so we should not
10 expect to see plastic top coming in at the opening
11 price point?

12 MS. VOLLES: It all depends on the raw
13 material costs, but usually plastic is more expensive.

14 CHAIRMAN ARANOFF: Okay, thank you very
15 much. Let me turn to Vice Chairman Pearson.

16 MR. IKENSON: Madam Chairman, may I add
17 something to your question?

18 CHAIRMAN ARANOFF: Yes.

19 MR. IKENSON: You offered two possible
20 reasons why plastic top might be suddenly appearing,
21 and there's really a third possibility, and that is
22 the existence of this very antidumping duty order has
23 given rise for the need for a product that might do
24 the job but is not covered by the order. So I think
25 we have to consider that as a possibility.

1 CHAIRMAN ARANOFF: Yeah, I guess that would
2 be a subset of the relative cost calculation.

3 MR. IKENSON: I guess so.

4 CHAIRMAN ARANOFF: Actually, as long as I'm
5 still on that, let me just ask, does anybody know what
6 percent of annual U.S. consumption is plastic top?

7 MS. VOLLES: It would be minuscule, but I'll
8 look into it and supply an answer, but it would be
9 minuscule.

10 CHAIRMAN ARANOFF: Thanks. Sorry for the
11 teaser. Let me turn to Vice Chairman Pearson.

12 VICE CHAIRMAN PEARSON: Not a problem, Madam
13 Chairman, tease on. I'd also like to express my
14 welcome to the panel. Just for clarification, is it
15 correct to understand that the Revolution 360 board is
16 not part of the scope of this investigation?

17 MR. IKENSON: That is correct.

18 VICE CHAIRMAN PEARSON: Okay. And Ms.
19 Volles, just to follow up, what I hear you saying is
20 the current market share of the plastic top board is
21 minuscule and you don't see anything in the horizon
22 that would cause that to grow in the reasonably
23 foreseeable future or at least not much?

24 MS. VOLLES: That would be correct. And if
25 you're speaking specifically of the Revolution 360 as

1 well, although I hate to admit it, yes the market
2 share is minuscule.

3 VICE CHAIRMAN PEARSON: Okay, thank you.
4 Five years ago when we did the original investigation
5 I was quite troubled with the pricing information that
6 we had for this investigation, because frankly it
7 showed predominant overselling by the Chinese imports,
8 really quite predominant overselling, and, you know,
9 there was no evidence of either price depression or
10 price suppression. So now we can look back at what's
11 happened over the past five years and again we see
12 very predominant overselling by Chinese imports, and
13 certainly nothing that I would interpret to look like
14 either price depression or suppression on this record.
15 How could we make a determination that there would be
16 price effects if we lift this order?

17 MR. BRADLEY: I would like to provide more
18 detailed answer in the posthearing, but in general
19 terms I think this is a very difficult pricing
20 analysis, as you very --

21 VICE CHAIRMAN PEARSON: It's quite simple
22 actually as I see it, but --

23 MR. BRADLEY: Well, sorry, I didn't mean to
24 interrupt. I think it's difficult because I think the
25 prices that are collected, it's difficult to find

1 appropriate head to head matches because if we look at
2 these tables we can see that, if we compare something
3 on the far end, that's a somewhat different product
4 than something in the near end. And obviously one's
5 going to be selling in the retail market for \$70,
6 one's going to be selling for \$15 approximately.

7 And so I think it's very important to
8 compare not only the product as it's physically made
9 but also where it's being sold. As Ms. Volles said,
10 there are a variety of channels of distribution. They
11 sell some to the big box stores, some to the medium
12 size, and some to very small places. And I think,
13 without revealing any secrets, the prices at the
14 wholesale and retail level differ greatly across those
15 channels. So when you're looking at prices for broad
16 definitions of product you have to be very careful to
17 make sure that they are indeed the same thing on the
18 production side with same features, all that kind of
19 stuff, and I think you also have to look at to whom
20 they're being sold to have a fair comparison.

21 VICE CHAIRMAN PEARSON: Okay, well the
22 definitions of our six pricing products are a matter
23 of public record.

24 MR. BRADLEY: Yes.

25 VICE CHAIRMAN PEARSON: Did we define them

1 incorrectly, and if so, how? Because you've
2 identified some shortcomings, what was wrong, why
3 weren't we given guidance on this when the staff was,
4 you know, in response to the questionnaires of the
5 staff? I mean, I want to hear more, so tell me what
6 we did wrong here.

7 MR. BRADLEY: It's not my place to criticize
8 the staff or the way they went about doing it, but --

9 VICE CHAIRMAN PEARSON: They accept
10 constructive criticism, they wouldn't take offense.

11 MR. BRADLEY: Okay. I think actually, I
12 tried to make this point the last time and I make it
13 again, I think it's very important to look at to whom
14 the ironing boards are being sold. In other words,
15 you'd want to have a comparison between the Chinese
16 and the domestic both being sold to a major retailer,
17 both either being an opening price point board or both
18 being a middle price or, you know, good -- I've got to
19 be careful -- good value or superior. In other words
20 I think it's real important to do, to me at least -- I
21 don't mean to be presumptuous -- but I would say it
22 would be important to do this by the market segment,
23 not so much size or weight per se, but where in the
24 market does it fall and to whom is it being sold.

25 VICE CHAIRMAN PEARSON: Yeah, and people who

1 will practice in front of us frequently are well aware
2 that we do that quite often in investigations where
3 there are distributions differences in the products,
4 and so we'll look at pricing in a big box retail
5 segment and pricing at a distributor level and we'll
6 try to understand what's going on. My sense is there
7 was no request for such pricing data to be gathered in
8 this investigation, is that correct? Mr. Ikenson?

9 MR. IKENSON: It's my recollection that our
10 focus when the questionnaires were evolving was on
11 trying to avoid comparing prices for products in very
12 large groups, like four leg ironing boards. So we had
13 the first time around in the investigation there were
14 two products, product 1 and product 2, perf top T leg
15 and mesh top T leg. And that was to us a more
16 suitable way to analyze pricing because -- not perfect
17 but a more suitable -- because once you get into the
18 four leg category you have such a wide range of
19 values. So there the collecting price information for
20 product 5 and product 6 might produce less useful
21 information. So we did make those comments, but I
22 don't recall that we talked about finding pricing for
23 different channels, I think you're right, we didn't --
24 VICE CHAIRMAN PEARSON: Right, and of course
25 we did expand from two pricing products the first time

1 around I think -- or were there more than that? There
2 were more.

3 MR. IKENSON: There were two in the
4 investigation, and now there are six.

5 VICE CHAIRMAN PEARSON: And now we're at
6 six. So I'm just a little surprised that, you know,
7 having had the opportunity to request that
8 modification that we learn here today it's still
9 inadequate, we should have done channels of
10 distribution and that's why the anomalies of pricing,
11 if you will, the overselling of those Chinese product
12 is here in front of us, and I'm still trying to figure
13 out how to deal with it and what to understand about
14 it.

15 MR. BRADLEY: I think I would like to give
16 you a written answer on that, I have a couple things I
17 want to suggest but I'm not comfortable, I don't want
18 to go across boundaries. But they will be along the
19 themes of what I told you, that I think that if one
20 can take the existing data and make an effort to try
21 to make them comparable, that I think it's a more
22 mixed record than what you suggested with your
23 statement.

24 VICE CHAIRMAN PEARSON: Okay, and it may be,
25 but unfortunately it's not falling out here in a way

1 that I can empirically observe what's going on, I'm
2 kind of grasping at straws wondering, well why does
3 this record look so unusual based on what you have
4 been saying about the price pressure from Chinese
5 products. I mean we're not seeing that here.

6 MR. BRADLEY: Yeah, I understand the
7 apparent disconnect between what industry
8 practitioners have felt -- and this is the same thing
9 actually we observed in the investigation, where it
10 was clear that the domestic industry would go into
11 price negotiations and have this pricing pressure but
12 it didn't show up necessarily in the data set that was
13 collected for the investigation, and I understand
14 that.

15 I think part of it is, in physical
16 characteristic obviously there is a difference between
17 a perforated top and a mesh top, but I think from a
18 product perspective that they compete against one
19 another at the wholesale level and the retail level
20 too. So again, there is a case where you might say,
21 we need to realign how we define the products for a
22 head to head comparison.

23 VICE CHAIRMAN PEARSON: Any other comments
24 or observations on pricing?

25 MR. BRADLEY: I think they would like to

1 provide you with some more information but they're
2 concerned that --

3 VICE CHAIRMAN PEARSON: I understand, we are
4 in a public session, there's a lot of proprietary
5 information in the data set.

6 MR. BRADLEY: But they will definitely give
7 you some more information in the posthearing.

8 VICE CHAIRMAN PEARSON: Okay, well I would
9 appreciate that.

10 MR. BRADLEY: Thank you.

11 VICE CHAIRMAN PEARSON: You sense my
12 uncertainty about what's going on here, and so to the
13 extent you can help fill out the record, that would be
14 just great. Madam Chairman, my light's changing.

15 CHAIRMAN ARANOFF: Commissioner Okun.

16 COMMISSIONER OKUN: Thank you, Madam
17 Chairman. I join my colleagues in welcoming you here
18 now this afternoon, appreciate you coming here to tell
19 us more about your business. Let's see, I guess one
20 more price question, which again might be something
21 that has to be done posthearing but maybe you could
22 give me a general response. In the original
23 investigation the majority opinion focused on what was
24 going on with regard to Internet and reverse auctions.
25 Can you talk at all about whether, you know, post

1 order there has been any change in that process and
2 how that might impact pricing in the future?

3 MS. VOLLES: Certainly. The bidding process
4 has just changed, it's not an online auction, it is a
5 face to face bidding process now. But essentially it
6 has remained the same. The retailer evaluates all the
7 product submissions, provides feedback to the
8 suppliers, and notifies which items are being
9 considered, are being considered for future
10 assortments.

11 And then everything is collected into a
12 consolidated time frame, it may be a day or two where
13 you work with the retailer and the retailer will
14 notify if your submission is in the ballpark or not,
15 and then you are given the opportunity to think about
16 your offer based on the little information you get,
17 and you might go back and forth a couple times.
18 Usually it's over a couple days, and so the process
19 has just changed from an online auction to it's a
20 meeting.

21 COMMISSIONER OKUN: Okay, and in terms of
22 who you're competing against at this point, I think
23 some of my colleagues had raised whether you're aware
24 of Indian product in the market or Mexican product,
25 and you're talking about a very limited amount of

1 information that you're receiving during this face to
2 face interaction. Are you aware of where other
3 product is coming from that you're bidding against or
4 who your competitors are?

5 MS. VOLLES: You know, I think we probably
6 guess on who our competitors are, and in addition to
7 our marketplace competitors there is also the product
8 development teams for the retailers themselves, I mean
9 they have their own import teams. And you know
10 everyone's in the mix and being considered. The
11 feedback you get basically is a very short answer,
12 you're in the ballpark or you're not in the ballpark
13 or you're the lowest bid right now but everyone's
14 getting the chance to come back.

15 COMMISSIONER OKUN: And then I just wanted
16 to follow up to a response you had given earlier, Ms.
17 Volles, about, you know, on the private label versus
18 the brand names, and I just wasn't clear on, if you
19 walk in, if one were to walk into Target, which I'll
20 probably do this next Saturday or something -- or one
21 of the other big retailers -- versus maybe a Bed,
22 Bath, & Beyond, will I see your product in one value
23 category and somebody else's product in another? In
24 other words, I wasn't clear, are they buying from
25 different sources for the same store to have a good-

1 better-best or a value up to the high end?

2 MS. VOLLES: You absolutely could be, you
3 could see private label combined with domestic
4 marketers' brands, you could see an entire range that
5 is private label supplied by a variety of
6 manufacturers both domestic and overseas. You would
7 see a range of both.

8 COMMISSIONER OKUN: Okay, and then just on
9 the pricing of that, on the let's say what is kind of
10 the value or the entry point, does your brand name get
11 any premium in the store? In other words, could they
12 use that as marketing to say, here's our private label
13 at X dollars and here is, you know, a brand name?

14 MS. VOLLES: No, this happens to be a
15 category where brand doesn't necessarily influence the
16 price point anymore.

17 COMMISSIONER OKUN: Okay, that's what I
18 wanted to understand a little bit better about that.
19 Then let me turn to demand, and I guess, Mr. Bradley,
20 I'll put these to you but certainly I would include
21 the producers to respond as well. You talked in your
22 presentation about not much expectation of a change in
23 demand and flat and perhaps falling in the U.S.
24 market.

25 Did you look at any data or do you have any

1 data about what demand is likely to be in the rest of
2 the world, and in particular where Chinese product is
3 being sold such as the European Union? I mean I know,
4 Mr. Ikenson, you've talked about the order in place in
5 the E.U., but what about just demand, is that
6 something, or Ms. Volles, something you follow as
7 someone wondering what's going on with ironing tables
8 in the rest of the world?

9 MS. VOLLES: Well, I have to admit I really
10 don't follow it in other countries, but you can only
11 imagine that in developing countries the demand is
12 probably increasing, I mean in China. But it is not
13 something we follow specifically.

14 COMMISSIONER OKUN: Okay. Well, Mr.
15 Bradley, how about you, did you look at that?

16 MR. BRADLEY: The only information that I
17 can recall off hand is that it's my understanding that
18 Europe is considered the other attractive market in
19 the world, that basically have U.S. and Europe as the
20 two markets where most ironing tables are purchased,
21 they're the two dominant, overwhelming majority of
22 sales.

23 COMMISSIONER OKUN: Okay. And I think I did
24 read this in the brief but perhaps would ask you to
25 comment as well, what about prices in the rest of the

1 world, and particularly in the European Union, any
2 data or information on that?

3 MR. BRADLEY: I don't have it, but I'll look
4 to see what we can find.

5 COMMISSIONER OKUN: Okay. I think for
6 posthearing, you know, I think your presentation went
7 through a number of the postrevocation issues that the
8 Commission looks at. Of course one of the other
9 things that pay attention to is, you know, the
10 incentive of subject imports to come back into the
11 U.S. market and if they have other established
12 markets, why or why not in the presence of an order
13 and in other countries, is obviously something we look
14 at. But demand, prices, what's happened with the
15 Chinese capacity would be helpful as well, so anything
16 you could find on that would be great.

17 The Vice Chairman may have already, you may
18 already be covering this in response to his request
19 about further information on pricing, but in your
20 brief you had suggested some alternative pricing
21 comparisons and you touched on that a little bit in
22 your testimony, and I think again, for purposes of
23 posthearing if you could give me a little better
24 understanding of why exactly you think that's better
25 than what the Commission has, you know, tried to

1 collect as it always does.

2 I mean I think Mr. Ikenson would know being
3 at the Commission that, you know, we do our best to
4 get really good pricing data, the staff works very
5 hard to try and do that, and when we have to go
6 outside what we typically look at, you know, for me
7 there needs to be a compelling reason why and, you
8 know, again not that we don't do other things, but it
9 needs to be explained as opposed to it just doesn't
10 fit the story.

11 MR. BRADLEY: Absolutely. I meant no
12 criticism of the data or the effort, I do sincerely
13 appreciate how hard it is to collect real world data.

14 COMMISSIONER OKUN: Right.

15 MR. BRADLEY: Even though I am an academic I
16 recognize that that's a very difficult thing to do,
17 and I do appreciate the effort. It's just sometimes
18 given the nature of a market it's useful to look at
19 the same data a different way, and I will try to
20 explain that as clearly as I can in the post for you.

21 COMMISSIONER OKUN: Right, and, Mr. Ikenson,
22 it might help, and with Mr. Bradley as well, I mean,
23 you know, sometimes we have very weird products where
24 they don't move in main channels. I mean this is a
25 consumer product and again we could look at it and say

1 we know what this is and we know where it sells and
2 what I think there have been some other consumer
3 products that I would put kind of in the same category
4 where I think the Commission has I think wrestled with
5 some of the same pricing questions or pricing issues
6 that you raise about levels of trade, channels of
7 distribution, et cetera. And so there might be
8 something helpful in helping us better understand the
9 arguments in this particular case.

10 I think I will just briefly go back on, I
11 think you have responded on a number of these things
12 about exactly what the relationship is, I mean I think
13 you've been clear in saying there is no relationship
14 between HPI and another Chinese producer. Just in
15 looking in what was before the Commission, there was
16 this Seymour and Jackson County Tribune in January
17 2008 where a public relations representative of HPI
18 stated that "On January 4th HPI announced to employees
19 it has entered a partnership with a Chinese
20 manufacturing company to produce a portion of its low
21 volume high end ironing boards," and added "that this
22 was done to strengthen its position in the U.S.
23 market." Can you comment on that, what's the current
24 status of that and is that going to change?

25 MR. IKENSON: I'll comment on that, but

1 there is another point that you made, Commissioner,
2 regarding --

3 COMMISSIONER OKUN: If you could stay up
4 with your mike, I can hear you better.

5 MR. IKENSON: -- your summarization of what
6 was said previously. We had said there was no
7 relationship between HPI and any importer from another
8 Chinese manufacturer. We didn't address whether there
9 is any relationship between HPI and --

10 COMMISSIONER OKUN: And the producer, okay.

11 MR. IKENSON: -- any Chinese producer. We
12 said there were no imports by HPI.

13 COMMISSIONER OKUN: Right.

14 MR. IKENSON: But with respect to the news
15 story in early 2008, a decision had been made -- and
16 here forgive me for having to speak a little slowly
17 because as I'm speaking, I'm thinking about what was
18 confidential in our response to your questionnaire and
19 what might be publicly stated.

20 But there were some challenges that HPI was
21 facing in 2007. And a decision was made in late 2007
22 to close the east plant in Seymour, and the management
23 of HPI alerted the town elders in Seymour, including
24 the mayor and the workers. So a decision had been
25 made to make that change. However, very soon

1 thereafter, that decision was reversed. HPI never
2 closed the east plant, and it continued to produce
3 product at Seymour. So it never closed.

4 The newspaper story was correct at the time,
5 but the facts changed, and I don't know that there was
6 another newspaper story that I've come upon from the
7 Seymour Tribune that tells that. But that is what
8 happened.

9 COMMISSIONER OKUN: Okay. And again, if any
10 question that requires a confidential answer, please
11 go ahead and make sure that you submit that post-
12 hearing. But to be clear on that, when you say that
13 the facts changed, is there an ongoing -- is there
14 something that's going to change there that would
15 impact your U.S. plants, production, shipments?

16 MR. IKENSON: At this point?

17 COMMISSIONER OKUN: At this point and in the
18 reasonably foreseeable future. I mean, are there any
19 plans?

20 MR. IKENSON: No. There are no plans. A
21 decision was made in early 2008 to reverse the
22 decision to close the plant. That reversal was made,
23 and it has not been revisited, to my knowledge. And
24 we will be pleased to provide more information to you
25 in our post-hearing brief that fleshes this out a bit.

1 But just in case, I just don't want to go into that.

2 COMMISSIONER OKUN: Right. No. I
3 appreciate that, and I've actually gone over my red
4 light in getting that response. But I appreciate your
5 clarification of that and providing anything else
6 post-hearing.

7 CHAIRMAN ARANOFF: Commissioner Lane.

8 COMMISSIONER LANE: Good afternoon. I want
9 to go back to this allegation of HPI and some Chinese
10 entity. And I just want to make sure that we are
11 asking the right question and getting the right
12 answer. So is it your testimony that the Respondents
13 are completely wrong in saying that HPI and some
14 Chinese producer making ironing tables or parts have
15 some sort of contact bringing and dealing with that
16 product in this country?

17 MR. IKENSON: Commissioner, if your -- if
18 the question is whether HPI and a Chinese manufacturer
19 -- and the manufacturer they name is Forever Holdings
20 -- had some arrangement whereunder imports of subject
21 merchandise are coming into the United States, either
22 brought in by HPI or by someone else with HPI's
23 knowledge, the answer is absolutely not. There is no
24 such agreement.

25 COMMISSIONER LANE: Okay. So it's your

1 answer that HPI has absolutely nothing whatsoever to
2 do with ironing tables from Forever or Since, other
3 than perhaps seeing them in a retail outlet?

4 MR. IKENSON: HPI has made no imports.

5 COMMISSIONER LANE: No. I want the question
6 answered the way I am asking it. That way I'll feel
7 comfortable with the answer.

8 MR. IKENSON: Okay.

9 COMMISSIONER LANE: You were saying that HPI
10 has absolutely no dealings whatsoever with a product
11 made by Forever or Since, other than seeing them in a
12 retail outlet.

13 MR. IKENSON: Well, I get Since off the
14 table right now. There is no arrangement with Since
15 Hardware.

16 COMMISSIONER LANE: Let's use the word
17 "dealings."

18 MR. IKENSON: HPI has dealings with Chinese
19 manufacturers. It imports non-subject merchandise.
20 And I would prefer not to state publicly from what
21 sources it is importing non-subject merchandise.

22 COMMISSIONER LANE: Okay. What are the non-
23 subject imports? Are they ironing tables?

24 MR. IKENSON: Non-subject. If they're not
25 -- if it's an ironing table, a floor-standing, metal-

1 top ironing table, it's subject. So a non-subject
2 product would be a countertop ironing board. That's
3 not subject. Or a plastic top board we talked about
4 earlier, a 360, that's not subject. So there is --
5 but if you're asking about whether there are dealings
6 involving importation to the United States of subject
7 merchandise from Chinese companies, the answer is
8 there are no such dealings.

9 COMMISSIONER LANE: Okay. So is it your
10 testimony that the Respondents just made this up?

11 MR. IKENSON: I wouldn't say it that way. I
12 would say the Respondents have seen pieces of
13 information which are causing them to think
14 creatively. And they have taken a giant leap by
15 speaking positively regarding what they believe to be
16 the truth. They are totally mistaken in what they
17 believe to be the truth.

18 But, Commissioner, I would very much wish to
19 elaborate further in my post-hearing brief so as to in
20 no way mislead you.

21 COMMISSIONER LANE: Okay. I would
22 appreciate that. Now having listened to the
23 testimony, having been here for the original case,
24 it's my understanding that ironing boards -- and I'm
25 sorry, I can't call -- I forget to call them ironing

1 tables -- are basically a once-in-a-lifetime purchase.
2 And when you have changing events, then perhaps people
3 will buy a new ironing board.

4 Well, I just visited my 90-year old mother.
5 She has a wooden ironing board that I think that she
6 inherited from her mother. I have an ironing board
7 that is the P-type that is probably at least 40 years
8 old. I did buy an ironing board recently for my
9 daughter and an iron, so that when I visit her I can
10 use an ironing board because she uses a steamer.

11 So my question is, with this finite number
12 of people who are going to be using your product, what
13 do you expect in the future? I mean, it has to be
14 kids going to college for the first time and want to
15 have pressed clothes, or new construction for hotels.
16 Is that correct?

17 MS. VOLLES: That is fairly accurate. Of
18 the three events, two of the three events are somewhat
19 stable. The number of students going to college every
20 year, about 18 million, you know, give or take on the
21 year. But luckily, there is a generation coming up
22 that is as large as the Baby Boomers. So that should
23 remain stable for a period of time. And weddings are
24 pretty constant at about 2 million a year. So two of
25 the three events that drive the purchase are fairly

1 constant.

2 The third is the new households, and that is
3 really where we have seen a drop in new households
4 being established. Therefore, the decline has been --
5 there has been a slight decline in new ironing boards
6 being purchased. As that turns around, you know,
7 hopefully we'll see a slight increase again.

8 MR. KOGAN: I would also add quickly, for
9 the opening price point product, it is more or less a
10 disposable item, particularly for the college
11 demographic. It's not likely to be packed up and sent
12 home. It's likely to be left behind. The other
13 advent is the continuing change in the fashions on the
14 covers.

15 Believe it or not, the retailers actually
16 very carefully accommodate the fashions on the covers
17 to coordinate with their entire home furnishings
18 offerings. And so invariably, every year,
19 particularly for the largest channels, we are changing
20 the fashions on these products for some special event,
21 seasonality events, and then of course the end line
22 product changes to keep in line with their aggregate
23 fashion programs.

24 So you do get some -- it's a relatively low
25 investment, so you get some impulse buy and that sort

1 of thing. So there are some other nuances to the --

2 COMMISSIONER LANE: Gosh, I didn't know that
3 I was out of fashion with my plain green cover. So if
4 I stated that it's my experience as a consumer that
5 people buy an ironing board basically on price, and
6 they really don't care, and there is not really that
7 much difference between the lower priced items, would
8 it be fair to say then your market is basically a
9 product of how many consumers go into a Target, a K-
10 Mart, or a Walmart, or a Lowe's? I mean, you're
11 really at the mercy of the customers going into those
12 stores because I would assume that the prices are
13 basically the same, and they don't go from one store
14 to the other. So you're at the mercy of how good a
15 store the -- how good the store is that is handling
16 your product.

17 MS. VOLLES: To a certain degree, you're
18 absolutely right. How the store merchandises and
19 features the product and features the trade-up
20 certainly influences the purchase.

21 COMMISSIONER PINKERT: And are there certain
22 retail stores that would handle only your product?

23 MS. VOLLES: We do have some customers that
24 offer -- that their range of ironing boards is a
25 Home's product, HPI product.

1 COMMISSIONER LANE: And do you manufacture
2 the covers?

3 MS. VOLLES: We do not manufacture the
4 covers. That's really -- David would be --

5 MR. KOGAN: I can answer that. HPI used to
6 manufacture its covers. We were vertically integrated
7 in the fabric portion of the business. Now we source
8 those components. We source some domestically, and we
9 source some internationally.

10 COMMISSIONER LANE: And most of your boards
11 are sold with the covers?

12 MR. KOGAN: That's correct. We offer a
13 board without a cover, but it's an infinitesimal
14 opportunity.

15 COMMISSIONER LANE: Okay. Thank you. I'll
16 save the rest of my questions for round two.

17 CHAIRMAN ARANOFF: Commissioner Williamson.

18 COMMISSIONER WILLIAMSON: Thank you, Madame
19 Chairman. I do want to express my appreciation to the
20 witnesses for coming this morning. Just to clarify a
21 few -- to clear up a few things, in post-hearing, when
22 you address Commissioner Okun's questions regarding
23 the Singer and Jackson article and what actually
24 happened, could you identify in post-hearing which
25 Chinese manufacturing company was the partner, what

1 was the basis for your selection of that company, and
2 was it based in any way on dumping margins, and also
3 explain why the deal didn't go through? So I'd
4 appreciate having all of that post-hearing.

5 MR. IKENSON: We will do that, Commissioner.

6 COMMISSIONER WILLIAMSON: Thank you. Tell
7 us about the incident in Canada where the Chinese -- I
8 guess manufacturers -- undercut you. And I was
9 wondering if there is any kind of document you could
10 provide on that. I mean, we don't really do reviews
11 of lost sales allegations, but in a sense that's what
12 we have here, and it would be helpful to have some
13 documentation on that or documentation on other
14 incidents like that that give us an indication of what
15 -- of the type of competition you have, if there is no
16 order in place.

17 MS. VOLLES: We will provide that.

18 COMMISSIONER WILLIAMSON: Okay. Thank you.
19 I'm going to go back to the question of branding, and,
20 you know, trying to get an idea of how important is
21 brand names or private labels in this market. I take
22 it that it is of growing importance.

23 MS. VOLLES: Private label would be of a
24 growing importance. I would love to say that
25 marketing brands influence the purchase, but they

1 don't. It really is the retail of brands, the private
2 labels. The product is interchangeable, therefore it
3 really is all about the retail of brands and what they
4 choose, and how they choose to merchandise the
5 assortment on the floor.

6 COMMISSIONER WILLIAMSON: Actually, if you
7 think about it, can it be really -- you know, if I go
8 into a store, what brand name I would look for. Are
9 there particular names of brand names for this product
10 that one might see or anticipate seeing?

11 MS. VOLLES: There are a couple, Homz
12 certainly being one.

13 COMMISSIONER WILLIAMSON: H-O-L-M-E-S, okay.

14 MS. VOLLES: H-O-M -- actually, H-O-M-Z.

15 COMMISSIONER WILLIAMSON: Z, okay.

16 MS. VOLLES: Homz is a brand you'll see in
17 the marketplace. Rowenta is another, and Polder is
18 the other.

19 COMMISSIONER WILLIAMSON: Okay. Now are
20 these -- are there certain brand names that are
21 associated with would you say good, better, and best
22 levels of the product? Or are of all of those names
23 you mentioned, they all sell a range?

24 MS. VOLLES: I think -- I'm not 100 percent
25 sure -- that all brands offer a full range of

1 products, but I'm not 100 percent sure. I would have
2 to follow up in the post-hearing.

3 COMMISSIONER WILLIAMSON: Okay. Now are
4 these brands usually -- like they are in particular
5 regions or particular types of stores?

6 MS. VOLLES: Sometimes it is dependent on
7 the retailer's purchase volume and if they can justify
8 private label development. So your smaller regional
9 players usually will be the players that offer the
10 branded product because their quantities aren't high
11 enough to justify private label, usually.

12 COMMISSIONER WILLIAMSON: Okay. So you
13 wouldn't say maybe the neighborhood store or chain in
14 an area you might --

15 MS. VOLLES: Right. The smaller regional
16 players.

17 COMMISSIONER WILLIAMSON: Okay. And how has
18 this -- particularly the private labels -- affected
19 competition between the domestic ironing tables and
20 those imported from China, since I take it a customer
21 is not going to know by looking at the brand where the
22 product comes from. I think you mentioned that
23 sometimes you may have a particular brand or a
24 particular label, and it might be selling both say
25 imported and domestic-made ironing tables.

1 MS. VOLLES: Absolutely. Over the last
2 couple of years, both the four-leg ironing table and
3 the T-leg you could find in the same retailer, where
4 some of it was -- some of the product was domestically
5 produced and some was imported. And you wouldn't know
6 necessarily, unless you read the details on the label,
7 of course, because it needs to be there. But you
8 wouldn't know from looking at the board.

9 COMMISSIONER WILLIAMSON: So I guess during
10 the next trend, what does that say about the import
11 competition or competition of imports?

12 MS. VOLLES: I think it says that price
13 plays a very important role in securing placement.

14 COMMISSIONER WILLIAMSON: Okay. Thank you.
15 For non-subject imports, are there -- are they
16 typically mesh top or perforated top, Mr. Kogan?

17 MR. KOGAN: Yes. For the countertop board,
18 they are typically mesh-top products.

19 COMMISSIONER WILLIAMSON: Counter -- you
20 mean the ones that --

21 MR. KOGAN: Yeah. It literally sort of
22 stand on the desk area. And the primary reason for
23 that is fabricating expanded metal is a longstanding
24 technology. It doesn't require a significant amount
25 of capital investment. To be able to produce a

1 perforated top of any size, particularly of this size,
2 would require several hundred thousand dollars of
3 capital investment. A smaller scale to produce that
4 for a smaller countertop board would also require
5 significant capital investment. So that's why
6 typically they're all mess on non-subject materials.

7 COMMISSIONER WILLIAMSON: Okay. I'm sorry.
8 We were talking about non-subject from other
9 countries, not China.

10 MR. KOGAN: Oh, I'm sorry. Oh, okay. I'm
11 sorry. The non-subject from other countries that I
12 have seen -- I have seen mostly mesh, but I haven't
13 seen myself a lot of boards from other countries
14 outside of -- other than China. So I can't really
15 speak broadly to what we typically see.

16 COMMISSIONER WILLIAMSON: Okay. Now do you
17 produce only the perforated tops, or do you do produce
18 mesh too?

19 MR. KOGAN: Yeah. We produce both. We
20 produce the perforated top for the T-leg. The
21 perforated top can also go on the four-leg, given the
22 common understructure design. And the inverse of
23 that, the mesh can fit on the T-leg and the four-leg.
24 So we produce both. The perf-top is significantly
25 less cost to produce.

1 COMMISSIONER WILLIAMSON: Okay. And are you
2 increasing your share, or your, say, market share of
3 the marketing of mesh top?

4 MS. VOLLES: Distribution? Have we
5 increased distribution?

6 COMMISSIONER WILLIAMSON: No. Is mesh top
7 becoming a large percentage of your sales, or is there
8 any trend there that you can --

9 MS. VOLLES: It is so driven by the opening
10 price point to the lag. Perhaps slightly, but the mix
11 is pretty much the same. I will supply the sales mix
12 in a post-hearing document, but we have seen a slight
13 increase lately in the mesh top, but we'll provide the
14 details.

15 COMMISSIONER WILLIAMSON: Okay. Thank you.
16 During the period of review, both HPI and Wooden
17 desired and filed for chapter 11 reorganization. What
18 were HPI's reasons for filing, and what impact did the
19 bankruptcy proceeding have on you?

20 MR. IKENSON: Commissioner, we would very
21 much like to supply the answer of that in the post-
22 hearing. The people most knowledgeable about that
23 development are not here. Is that satisfactory?

24 COMMISSIONER WILLIAMSON: That's fine.
25 Thank you. Also in your post-hearing brief, please

1 address your financial results in 2009 in the context
2 of vulnerability.

3 MR. IKENSON: Okay.

4 COMMISSIONER WILLIAMSON: Okay. I think that
5 actually covers all of my questions. So I want to
6 express appreciation for your answers, and the ones
7 you'll be giving us later. Thank you.

8 CHAIRMAN ARANOFF: Commissioner Pinkert.

9 COMMISSIONER PINKERT: I just have a few
10 follow-up questions. First of all, I don't know if
11 this is an economic question or more of an industry
12 question, but I'll throw it out there. During the
13 deep recession, would one expect that ironing would
14 increase at the expense of professionally delivered
15 services in this sector?

16 MS. VOLLES: Well, interestingly enough,
17 there was a research that -- some research information
18 that we pulled from 2004 and a recent study that
19 actually did show a slight increase in garment care at
20 home, so that there was a little change. Now it is
21 not a significant change, but we did see a slight
22 increase in consumers willing to iron at home and take
23 care of their garments at home.

24 MR. BRADLEY: Once again, it's good to see
25 reality comport with economic theory. You know, we

1 have what we call income effect and substitution
2 effect in economics. One is income and one is price.
3 And when you have a deep recession, the income effect
4 means I buy less ironing boards and I take my clothes
5 less often to the dry cleaners. But the substitution
6 effect you just related to would be, well, it's
7 actually cheaper in out-of-pocket costs, maybe not my
8 time, but cheaper out-of-pocket costs for me to iron
9 at home. And that would be the substitution effect.

10 So the ironing board demand would get a
11 little bump from the substitution effect. But I think
12 in general we see in recessions the income effect
13 dominates.

14 COMMISSIONER PINKERT: Thank you. Now
15 looking before and after the order went into effect --
16 and I'm looking specifically at financial performance
17 of the domestic industry before and after the order
18 went into effect -- do the trends in domestic industry
19 financial performance track the trends in apparent
20 consumption? That may be something for post-hearing.

21 MR. BRADLEY: I'd be pleased to address it.

22 COMMISSIONER PINKERT: Thank you. And now
23 my last question, or last couple of questions, deals
24 with something that Commissioner Williamson was just
25 asking about. What accounts for the domestic industry

1 financial performance in 2009 specifically?

2 MR. BRADLEY: We'd prefer to do that
3 confidentially, if that's acceptable.

4 COMMISSIONER PINKERT: Absolutely. And
5 similarly, I understand from your testimony,
6 Dr. Bradley, in the earlier portion of the hearing
7 that you're maintaining that the domestic industry was
8 vulnerable in 2009, and so in the post-hearing, if you
9 could specifically address how that characterization
10 relates to the performance data for the industry, I
11 think that would be helpful.

12 MR. BRADLEY: I would be glad to, but in
13 just general terms, to give you a brief preview, I
14 didn't mean to suggest that vulnerability was solely
15 based upon 2009. I think it's important to look at
16 the health of an industry over a number of years. And
17 so I think the vulnerability relates to its
18 performance over the whole sunset review period, and
19 particularly in the second half. And I will be more
20 specific and show you the numbers, but I didn't want
21 to leave you with the impression I was making the
22 argument that it was just 2009 that is the basis of
23 vulnerability. I think you really have to look at
24 their performance with the variety of things we saw
25 and how they react to them over the period.

1 COMMISSIONER PINKERT: Thank you. Mr.
2 Ikenson, do you wish to add?

3 MR. IKENSON: I think we will include this
4 in our post-hearing in discussing the 2009 financial
5 results. But, of course, in 2009, that was a very,
6 very big year because of what happened at the Commerce
7 Department. In March of 2009, the Commerce Department
8 determined that the major shippers to the United
9 States was subject to 157.68 percent duties, up from a
10 deposit rate of zero. And in September of 2009, the
11 second largest shipper from China, Fushin Shunda,
12 received a preliminary determination from the Commerce
13 Department of 157.68 percent.

14 That didn't become final until January of
15 this year. But those were two cataclysmic events for
16 those in the import community, and they obviously had
17 some corollary effect on what was happening in the
18 domestic industry at HPI. And, of course, in
19 addition, after the preliminary determination against
20 Fushin Shunda in September, the following month
21 Whitney Design determined to file for bankruptcy,
22 which was filed in November.

23 Whitney Design was a major importer of
24 ironing tables. It sourced all of its ironing tables
25 from the time it began importing up until March of

1 2009 from Since Hardware. And then when Since
2 Hardware was hit with the substantial duty, Whitney
3 Design then shifted to Fushin Shunda. And this is not
4 confidential. This is from public bankruptcy
5 proceedings for Whitney Design.

6 So Whitney Design then began importing from
7 Fushin Shunda in 2009. And then when Fushin Shunda
8 received the bad news at the preliminary in September,
9 shortly thereafter Whitney Design filed for
10 bankruptcy. So 2009 was a very significant year in
11 this industry, in this market. And it will -- in
12 discussing the financial performance of HPI in 2009,
13 we will need to address this as well.

14 COMMISSIONER PINKERT: Thank you very much.
15 And I again thank the panel for testifying today and
16 helping us understand what is going on in the industry
17 and what is likely to occur in the future.

18 CHAIRMAN ARANOFF: I want to take a
19 different angle on the questions that my colleagues
20 have been asking about possible relationships between
21 HPI and Chinese producers. As a legal matter, when
22 we're doing our forward-looking assessments of
23 likelihood of injury in the event of revocation, even
24 if such relationships existed or such imports existed,
25 assuming they weren't so large that we excluded you

1 from the domestic industry, which would be hard to do
2 under the circumstances, what possible legal relevance
3 would any of those facts have to the determination
4 that the Commission would be coming to?

5 MR. IKENSON: I'm sorry, Madame Chairman.
6 Are you asking about the relevance of imports? Would
7 you please repeat the question?

8 CHAIRMAN ARANOFF: Sure. We've heard
9 arguments concerning whether there might be imports
10 that your company has made of subject products,
11 imports of non-subject products, imports of parts that
12 may or may not be subject product, business
13 relationships made with Chinese producers. And if any
14 of those things were true, would it matter?

15 MR. IKENSON: I can conceive of some
16 hypothetical case where an American manufacturer is
17 perpetrating some fraud and is using the antidumping
18 law in an improper way. I can see how this could give
19 the Commission pause. So if you carry it out to the
20 extreme, and there is dishonesty and there is deceit,
21 I think it might matter. But if you're asking whether
22 even if there was some slight number of imports that
23 might be occurring, might that matter, I really doubt
24 it. So I don't know if that's responding adequately
25 or not.

1 CHAIRMAN ARANOFF: Okay. Let me go to my
2 second question, which is sort of part lecture and
3 part question, and then it's going to lead back to my
4 first question for purposes of post-hearing. So for
5 the lecture part, please bear with me.

6 In comparison all of the questions that
7 you've gotten from my colleagues that there is some
8 curiosity about this issue that has just been fostered
9 by the arguments that Respondents made -- and my
10 impression is that they're trying to, you know, just
11 create some smoke and maybe question the credibility
12 of the Petitioner in this case. And so I would
13 encourage you in the post-hearing to help us figure
14 out where -- you know, where there are red herrings by
15 just being completely forthcoming about whatever
16 relationships may or may not exist and whatever
17 imports may or may not exist because the answer that
18 you given, you have parsed your words very carefully.
19 And that makes an impression of evasiveness even if
20 none was intended.

21 So, I mean, once you've come clean and told
22 us everything that is going on, then please feel free
23 to go back and argue that it is completely irrelevant
24 from a legal standpoint.

25 MR. IKENSON: Well, certainly, there is

1 really no intention to be evasive. There is an
2 intention on my part not to reveal things publicly
3 which I would rather not reveal publicly.

4 CHAIRMAN ARANOFF: I understand that, and
5 that's why I'm asking you to do this, this two parts
6 being in the post-hearing. And like I said, come back
7 and argue why it's all completely irrelevant to the
8 legal determination that we need to make because I
9 think that will just clear the air.

10 MR. IKENSON: We will do that.

11 CHAIRMAN ARANOFF: Okay, thanks. There is
12 one question that I forgot to ask when I was asking
13 about the revolution 360. Where is that product
14 produced?

15 MS. VOLLES: We do have -- we actually have
16 two versions. One is produced in China and one in
17 Korea.

18 CHAIRMAN ARANOFF: Okay, thanks. And a
19 point of clarification. When the scope for this
20 investigation says that parts are included, it refers
21 specifically to leg components and top components. So
22 does it mean that accessory parts like iron racks and
23 cord minders and those sort of things are outside the
24 scope?

25 MR. KOGAN: That's correct.

1 CHAIRMAN ARANOFF: Okay. You can answer
2 this now or in the post-hearing. Do you import those
3 parts and assemble them with your boards, or do you
4 buy or make those in the U.S.?

5 MR. IKENSON: There is something in the
6 confidential record regarding the sourcing of certain
7 parts, and we could answer the question in a way that
8 will not be satisfactory to you if we do it publicly.
9 So I would appreciate our doing it in post-hearing.

10 CHAIRMAN ARANOFF: That's the same thing.
11 Final question, and I know I'm jumping around from
12 topic to topic, just seeing what was left over. I
13 know you have these annual line reviews where you set
14 the pricing with particular customers. But how about
15 the amount of purchases? How are those set? Do the
16 customers agree to how many they're going to buy in
17 that same line review? Or do they come to you with
18 various purchase orders over the course of the year?

19 MS. VOLLES: They will provide an annual
20 forecast, but then the purchases are made on a weekly
21 basis throughout the year. But they will provide a
22 general forecast so that we can appropriately bid on
23 the business.

24 CHAIRMAN ARANOFF: Okay. And if it turns
25 out that they need a good deal more or maybe, you

1 know, in the current economic climate, a good deal
2 less, then they forecast. You just adjust your
3 production to that, and it doesn't affect the annual
4 price agreement.

5 MS. VOLLES: Correct.

6 MR. KOGAN: That is correct.

7 MS. VOLLES: That is correct.

8 MR. KOGAN: And we will harbor a certain
9 level of finished product for that particular customer
10 to account for a very immediate increase in need, and
11 then for these to balance literally day by day, week
12 by week. On the input side, this is one of the
13 benefits of having a very long tenured staff and
14 organization. We have a very good sensibility when we
15 see those forecasts and we start to see orders coming
16 in against that forecast how we can manage the supply
17 chain upstream to be able to make sure that we're not
18 left with excess and obsolete inputs as a result of
19 that volume not being fully realized out of the
20 original forecast.

21 CHAIRMAN ARANOFF: Okay. I think that
22 concludes my questions for now. Let me turn to Vice
23 Chairman Pearson.

24 VICE CHAIRMAN PEARSON: Madame Chairman, I
25 have no further questions. I would like to thank this

1 panel for its participation.

2 CHAIRMAN ARANOFF: Commissioner Okun?

3 COMMISSIONER OKUN: I also have no further
4 questions, having gone over on my first round. But I
5 appreciate all of the responses.

6 CHAIRMAN ARANOFF: Commissioner Lane.

7 COMMISSIONER LANE: I have a few questions,
8 and going to direct them toward Dr. Bradley. But
9 first I want to know from Dr. Bradley, which of these
10 ironing boards is his favorite, and which ones does he
11 use on a regular basis?

12 MR. BRADLEY: That's a very embarrassing
13 question, and not for the reason you think. But I
14 have to admit that my household also still owns a
15 wooden board. I had hoped that would never, ever come
16 out. But you've embarrassed me tremendously, so
17 wooden would be my favorite.

18 COMMISSIONER LANE: Wooden ironing boards
19 have lots of character. I think that's a good answer.
20 Okay.

21 MR. BRADLEY: In fact, mine even has duct
22 tape on the bottom where I've repaired it, so -- but I
23 am an economist.

24 COMMISSIONER LANE: I think everyone --
25 because that's the best answer of the whole day.

1 Okay. During the original investigation, we had
2 information about a large number of imports that
3 constituted a large market share. And I'm being very
4 bad here because I think it's BPI. So if the orders
5 were revoked, I am assuming that it is your position
6 that subject imports would be likely to increase, but
7 do you think they would increase to the pre-order
8 level or greater? And please explain why.

9 MR. BRADLEY: I was just trying to be
10 careful. I think that -- in response to your
11 question, yes, I do believe that they would approach
12 the market share level that they owned before the
13 order went into place. As a matter of logic, I think
14 the order has been successful in reducing their share,
15 and thus removing it would tend to push them back that
16 way. But I'd prefer to give the details about the
17 whys confidentially.

18 COMMISSIONER LANE: Okay. And as said
19 before, in our original determination, we did not find
20 that the subject imports depressed or suppressed the
21 domestic prices. But if the orders were revoked, is
22 it your position that the subject imports would be
23 likely to depress and/or suppress domestic prices to a
24 significant degree?

25 MR. BRADLEY: To be honest, my recollection

1 of the order was somewhat different. I thought that
2 the order did in fact find -- and I think if you look
3 on our brief, we have a quotation to that extent. I
4 may be wrong. I know Commissioner Pearson had a
5 concurring opinion that was different. But I believe
6 the original order -- or is order the right name?
7 Determination, excuse me. The original determination
8 did find price depression. But I could be wrong.

9 But in any event, I would like to address
10 the whole pricing issue in toto really in confidence.
11 I do think that the way that these products compete
12 with one another is on the basis of price. And I
13 think that that would be what we had observed going
14 forward. And I can give more specific details, I
15 think, going forward.

16 COMMISSIONER LANE: Okay. My last question
17 -- and I'm sure this will be for post-hearing. Can
18 you provide any calculations showing what you believe
19 would be the combined volume and price impact of
20 subject imports from the domestic industry's financial
21 position and the effect on employment in the domestic
22 industry if the orders were revoked?

23 MR. BRADLEY: One of my specialties is
24 calculations. So I would be delighted to provide you
25 some along those lines.

1 COMMISSIONER LANE: Okay. Thank you. And
2 with that, I appreciate all of your answers. Thank
3 you.

4 CHAIRMAN ARANOFF: Are there any further
5 questions from Commissioners? Does the staff have any
6 questions for this panel?

7 MR. CORKRAN: Douglas Corkran, Office of
8 Investigations. Thank you, Chairman Aranoff. Staff
9 does have a couple of very brief questions. One is,
10 as in the original investigation, the Commission has
11 questionnaire responses from the leading importers of
12 ironing tables. However, if you compare tables C-1
13 and C-2, at least those who have access to the
14 confidential version, it suggests that official import
15 statistics for both China and other countries may
16 still be over-inclusive, despite the use of an HTS
17 statistical reporting number that is supposed to be
18 dedicated to metal-top, floor-standing ironing tables.

19 Going forward, would you please consider the
20 utility of using questionnaire data rather than
21 official import statistics? And that's a
22 consideration for future.

23 The second question is, in a post-hearing
24 brief, if you could take a look at the series of
25 considerations that Dr. Bradley presented for likely

1 import volumes. Each of the four items that appear on
2 page 4 -- there could be certain additional
3 considerations to look at. You state that before the
4 order was in place, Chinese imports surged. One
5 question would be what was the role of the changing
6 business model of a former U.S. producer in the import
7 trends that were observed in the original.

8 The second point is Chinese manufacturers
9 have substantial capacity. The question there might
10 be do those manufacturers that have experience
11 exporting to the United States, in that more limited
12 universe, would you still make that characterization
13 that they have substantial capacity?

14 Third, the U.S. market is large and
15 attractive. Would you say that observation still
16 holds in today's environment?

17 And finally, a barrier to importation exists
18 in Europe, but the fact that it excludes two of the
19 companies most experienced in exporting, does that
20 somewhat detract from that observation.

21 Thank you. Those are just things to
22 consider in your post-hearing brief, and staff has no
23 further questions.

24 MR. IKENSON: If I may, I know Mr. Corkran
25 was speaking of counsel and not so much asking for a

1 question to be answered now. But with regard to the
2 very last point, while there are two Chinese
3 manufacturers that are excluded from the European
4 dumping duty, both of them, as I understand it, are
5 subjects of investigation currently in Europe. But we
6 will address that in our post-hearing.

7 CHAIRMAN ARANOFF: Do Respondents have any
8 questions for this panel? Okay. We're going to take
9 a lunch break. We're going to make it a little bit
10 shorter than usual to try and catch up on some of the
11 lost time from starting late, so I promised my
12 colleagues 35 minutes, which would keep us to about 10
13 after 2:00. I need to remind everyone here that this
14 room is not secure. Please take any confidential
15 information with you, as well as anything valuable
16 that you would like to take home with you today. And
17 we will adjourn until 10 after 2:00.

18 (Whereupon, at 1:21 p.m., the hearing in the
19 above-entitled matter was recessed, to reconvene at
20 2:10 p.m. this same day, Tuesday, April 13, 2010.)

21 //

22 //

23 //

24 //

25 //

1 are not included, and that may be the case. But if
2 you look at the scope of the order, it's very
3 interesting because it says -- and this is from the
4 Commerce Department's order. Further, the order
5 specifically covers imports of ironing tables
6 assembled or unassembled, complete or incomplete, and
7 certain parts thereof. The term "unassembled" ironing
8 tables means a product requiring attachment of the leg
9 assemblies and the top or the attachment of an
10 included feature such as an iron rest or linen rack.

11 So an iron rest or linen rack coming from
12 Forever could be considered covered if it was with the
13 product. Now I'm not sure if it's covered in the
14 parts. In fact, I'm not sure that if ironing tables
15 or iron rests or linen racks come in how Customs would
16 treat this in regards to the products here under the
17 scope of the order. Maybe Mr. Ikenson knows more
18 about this than I do because they may be importing
19 those types of parts, which are the linen racks or the
20 iron rests. But that's what the order said.

21 So anyway, at this point, I'd like to ask
22 Cal Scott of Polder to speak.

23 MR. SCOTT: Good afternoon, and thank you
24 for this opportunity. My name is Cal Scott, and I am
25 president and owner of Polder, Incorporated. At

1 Polder, we have been importing ironing boards since
2 the late 1970s. In the beginning, we imported ironing
3 boards from Europe, and during the last 20 years or
4 so, we've imported metal-topped ironing tables from
5 China. Presently, we are importing metal-topped
6 ironing boards from India.

7 HPI filed a complaint in this case at a time
8 when they were also importing ironing boards from
9 China. To my knowledge, HPI was importing ironing
10 boards from China prior to the filing of this case and
11 possibly continue to do so today, in one way -- one
12 shape or another, the full-sized boards or parts.

13 We know for a fact that HPI indirectly
14 imported ironing tables from Since Hardware in 2004
15 and 5. During that time, HPI bought ironing tables
16 from Since, but made Target the importer of record.
17 Obviously, HPI did not want to bear the retroactive
18 liability for the ironing tables, and at the same time
19 wanted to be able to tell the Commission that it was
20 not an importer of ironing tables from China.

21 During this period, I suspected that HPI was
22 importing the Michael Graves board from Since for the
23 sale in Target stores. In August of 2008, I met in
24 New York City with George Hamilton of HPI and the CFO
25 and their partner, Third Avenue Holdings, which has a

1 majority stake in their company. And they were
2 interested in acquiring Polder. During the
3 conversation, George Hamilton asked if we were
4 producing our ironing boards in China. I said yes,
5 and George followed by asking whether we were
6 producing at Since. I said that they were importing
7 from multiple factories in China, and George then said
8 that HPI was also building some boards in China, too.

9 The interesting point of that conversation
10 is the timing. George Hamilton made the statement to
11 me just about the time that Forever Holdings received
12 its zero percent dumping margin in the 2006-07 review
13 investigation preliminary determination. During that
14 review investigation, although HPI fought our Chinese
15 suppliers, Since Hardware and Fushin Shunda Wireking,
16 during that same review HPI made no arguments against
17 Forever.

18 We found this to be very curious because HPI
19 was fighting our suppliers Since Hardware and Fushin
20 Shunda Wireking tooth and nail at Commerce and later
21 in the courts. At the same time, no fight against
22 Forever. In fact, in August of 2009, when HPI had the
23 right to request a review, it requested a review only
24 of Since and Fushin Shunda, but not Forever.

25 I cannot understand why a review was not

1 requested unless there was some kind of a relationship
2 there. Meanwhile, because of Forever's zero percent
3 dumping rate, in April of 2009, we attempted to
4 contact them to be a supplier on our behalf. My
5 colleague, Kerry Cooper, will go into detail during
6 his testimony about this issue.

7 Also in April of 2009, Whitney Design
8 contacted Forever, and they were told verbally that
9 Forever had an arrangement with HPI and could not sell
10 to a competitor. We also contacted Forever by e-mail
11 in April of 2009. We were told that because of their
12 arrangements with a third party in the United States,
13 they were unable to supply us.

14 We firmly believe that Forever's arrangement
15 is with HPI because there are only a few importers of
16 ironing tables, and through a process of elimination,
17 we have a pretty good idea which Chinese suppliers are
18 supplying which importers. The fact that HPI did not
19 request a review in August of 2009 further confirmed
20 my suspicions that HPI has an exclusive arrangement
21 with Forever.

22 During a recent conversation with a
23 knowledgeable person, he informed that HPI was also
24 importing parts from China, mostly Chinese legs that
25 were mounted in the United States and U.S.-made tops,

1 and sold as floor-standing metal-topped ironing boards
2 in the U.S. I suspect that when we have a chance to
3 study the HPI boards, we will find indications that
4 the parts are made in China. We will describe this in
5 more detail in the post-hearing brief.

6 The question that must be raised is why is
7 HPI going to such an extent to conceal what it is
8 really doing in China. As indicated in my statement
9 attached to the prehearing brief, in talking to people
10 that are very knowledgeable about HPI, they have given
11 me detailed information about the HPI imports which
12 was attached to the prehearing brief. HPI is
13 importing a lot of ironing boards or parts thereof
14 into the United States.

15 With such imports for HPI, what is the
16 incentive for HPI to increase its production?
17 Truthfully, none. HPI makes more profit from the
18 lower-priced imports than it does from its U.S.
19 production. We believe that HPI is also having
20 difficulty in other multiple categories of product and
21 want to make sure the Commission focuses on HPI's
22 ironing business and does not allow the financials
23 from their other businesses to seep into the HPI
24 ironing board investigation.

25 Finally, two other brief points. We know

1 that a number of companies are importing plastic-
2 topped ironing tables from China that are being sold
3 in direct competition with the metal-topped tables.
4 We know that HPI is importing a flip plastic-topped
5 ironing board from Forever. And India is also
6 becoming a very attractive player in the U.S. market
7 as an alternative to Chinese boards.

8 I have found that factories in India offer
9 stronger engineering, better R&D, produce higher
10 quality products at prices similar to China. India is
11 quickly becoming the new China for production of
12 metal-topped, floor-standing ironing boards.

13 One other point of interest that I would
14 like to mention as a result of hearing today's earlier
15 testimony -- HPI claims that their business saw relief
16 as a result of the dumping order. But the reality is
17 that all key brands were importing product during this
18 so-called period of relief for HPI, at zero percent
19 dumping duty, which is essentially the same as having
20 no order at all. Thank you.

21 MR. PERRY: Kerry Cooper.

22 MR. COOPER: Good afternoon. My name is
23 Kerry Cooper. I'm vice president of marketing and
24 sales for Polder. I'm basically just going to talk
25 about what Calvin had mentioned before. Prior to

1 bringing ironing boards in exclusively from India,
2 I've constantly been in search of ways to import
3 boards from China at the lowest possible duty rate on
4 behalf of Polder.

5 One of the companies I've attempted to work
6 with is Forever Holdings. During April of 2009, I
7 engaged in a series of e-mail communications with
8 Forever management. Through the course of our
9 internal conversations, we realized that Forever
10 Holdings still had a zero duty rate and had not been
11 called into DOC reviews. Because Forever was not
12 requested to participate, we assumed that they had an
13 agreement with HPI. Hence we knew that HPI was
14 importing boards from China during that time period.

15 During the April trip to Hong Kong, where
16 Forever has its corporate offices, I made contact with
17 Forever, but was told that, reflected in an e-mail
18 chain, they had an exclusive relationship with a U.S.
19 importer and could not work with Polder. We believed
20 that this relationship was with HPI for the following
21 reasons.

22 There were only a few import players in the
23 ironing board game at the time due to the dumping duty
24 issue, and we knew who they were, and basically who
25 they were buying from. And number two is in my

1 initial reply to their contact, I deliberately noted
2 that we understood about their agreement with HPI, but
3 we were still interested in potentially doing business
4 in Europe, where our ironing board business was
5 expanding. Forever answered -- they answered me, but
6 went to the length to erase my HPI reference so it was
7 not in a copy trail. This indicated to me that they
8 were attempting to hide something in their
9 relationship with HPI.

10 Just on a final note, I wanted to comment
11 briefly on the presentations supplied by Dr. Bradley.
12 It's important to note that the same aspects of the
13 economic environment are going to affect all brands
14 equally if the order is lifted as they do HPI, and
15 that includes steel prices, freight, and retail or
16 pricing pressures. We deal with those same issues.
17 As a leading brand, we battle these market forces
18 through innovation, as shown by our multiple patents
19 and consistent flow of new items over the years into
20 the market.

21 We currently have experienced significant
22 growth in the past few years during this antidumping
23 duty period because of new items and the success at
24 retail. We currently have several new innovations on
25 the water that are going to be placed in retailers

1 like Bed, Bath and Beyond and other better stores.
2 With or without this dumping duty in place, retailers
3 will continue to select items with innovation at fair
4 cost, especially those that are above the opening
5 price point realm, which is where HPI gets the vast
6 majority of their sales from. I thank you.

7 MR. PERRY: Ready for any questions you may
8 have.

9 CHAIRMAN ARANOFF: I forgot to turn over my
10 sheet showing me who asks the first question, and lo
11 and behold, it's me, so I might as well just pick up
12 right where I left off before lunch.

13 The Commission has decided several prior
14 cases in which domestic producers or the domestic
15 industry were reasonably significant importers of the
16 subject merchandise, including the lined paper case
17 and the bedroom furniture case. And in those cases,
18 the Commission said that as a legal matter, it really
19 didn't matter because our focus had to be on the
20 condition of the domestic industry with respect to its
21 domestic production operations. And those, of course,
22 were original investigations and not sunset reviews.

23 But my question to you is the question that
24 I posed to Mr. Ikenson this morning. What possible
25 legal relevance could it have to our determination

1 that there may or may not be some subject or non-
2 subject product being imported by HPI?

3 MR. PERRY: It depends upon the terms of the
4 agreement. That's one of the points. The point here
5 for the prehearing brief was first the Commission has
6 to know all the facts on the record, the conditions of
7 competition in the U.S. industry. And if you don't
8 know all the facts, then it is pretty hard to
9 understand what is going on. I mean, depending upon
10 what the settlement agreement provides and what its
11 impact is on the domestic industry, it could
12 definitely affect your analysis.

13 You know, in the 1980s, I had a case called
14 Nitrocellulose. And I made an antitrust argument, and
15 Commissioner Newsom scolding me, saying, why are you
16 saying that antitrust would have any impact on the
17 Commission's proceedings. And then there was a case
18 called Ferrosilicon that showed up. And all of a
19 sudden, it did have an impact on the Commission's
20 decision.

21 Now I'm not sure yet what the private -- and
22 this is kind of why, you know, in a way I'm trying to
23 find out what the Commission's feeling is about these
24 private settlement agreements, whether it affects your
25 -- I mean, if it was just plain old importing, that's

1 normal. I mean, I have had cases like -- I remember
2 the Sebacic Acid case. The Commission went
3 affirmative in that case. I was representing the
4 Respondents. And the importer -- the Petitioner was
5 responsible for 40 percent of the imports during the
6 period of investigation. And therefore, I was
7 expecting frankly when I saw the staff report and saw
8 the questionnaire responses that they would just say,
9 yeah, sure, we'll bring something in for what. And
10 then they said, we're doing nothing. And that really
11 was just at odds at everything I was hearing.

12 So that raised the question to mind, what
13 are they doing. And then also, it's dealing with --
14 you know, there are other cases where I've been
15 involved in -- frankly, I've been involved in
16 polyvinyl alcohol and in Saccharin, where I've
17 represented Chinese companies that in time -- well, in
18 Saccharin in particular, where they were selling to
19 the petitioner. But they were selling to a number of
20 other importers, too, so the petitioner was just one
21 of them.

22 Here, it's an exclusive arrangement with the
23 Petitioner. And again, I'm not sure what impact this
24 has on the Commission's analysis, but I certainly
25 would like to know what the arrangement is, even if I

1 know I see it under APO, so I can understand whether
2 there is an impact or not. And that's where I'm
3 coming from. And I think it's even more important
4 that you know what is going on because you have got to
5 look at the conditions of competition, and certainly
6 any agreement would certainly be a condition of
7 competition that you've got to look at. That's where
8 I'm coming from. It's a brave new world.

9 CHAIRMAN ARANOFF: Well, I mean, the first
10 possibility that is suggested by the argument that
11 you're making is essentially that the domestic
12 producers have lied to us under oath by saying that
13 they are not importing the subject products. And I
14 don't think any of us is prepared to go there absent
15 some serious evidence on that point. So I think we
16 have to come to the conclusion that they are not in
17 fact importing the subject product, except the small
18 exception that they stated.

19 So then I ask myself, well, what possible
20 legal relevance could this have if I'm just looking at
21 their domestic operations in the event of revocation.
22 Well, if you tell me there was a possibility that they
23 had secret agreements with all the big producers in
24 China such that even if the order was revoked,
25 anything had to come in through them, now that might

1 be significant. I might care about that. But even if
2 there were some agreement that had some sort of effect
3 in the event of revocation with respect to one Chinese
4 producer when you know that there are a lot of Chinese
5 producers, including at least several other large
6 ones, I mean, can you spin me a legal theory where
7 that would change the outcome?

8 MR. PERRY: But the company that he links it
9 with has a zero. You don't understand the reality of
10 the dumping law. The dumping law has -- and what I
11 mean by that is retroactive liability. And the fact
12 is the wooden bedroom furniture importers are facing
13 \$1 billion in retroactive liability. So the fact is
14 that the Petitioner, by controlling the guy with the
15 zero, has a lot of control.

16 CHAIRMAN ARANOFF: But that's now. What if
17 the order is revoked? Any control he might have over
18 one player isn't really relevant to what the
19 conditions of competition are likely to be, is it?
20 Everybody has got zero then.

21 MR. PERRY: Well, everybody has got
22 theoretically zero, yeah. But basically, we turn to
23 competition. But the point is when you're controlling
24 the only guy who basically can export out of China,
25 nobody else can export, only him. Then I think it has

1 an impact.

2 CHAIRMAN ARANOFF: It does have an impact.
3 It has an impact so long as the order is in place.
4 But the question before the Commission is what would
5 happen if the order were revoked. And that's where
6 I'm not sure why it matters. I wouldn't disagree that
7 it has some effect while the order is in place, and
8 that effect is restrictive of competitive, as indeed
9 are all antidumping duty orders. Okay. But I'll
10 leave you to ponder that if there is anything further
11 you want to add in post-hearing.

12 MR. PERRY: I'll definitely respond to that.
13 Thank you.

14 CHAIRMAN ARANOFF: Okay. The Commission
15 received several questionnaire responses from Chinese
16 producers in this review, and in their written
17 comments -- and I just want to characterize them
18 broadly so I don't say anything that is confidential.
19 But I read them as uniformly expressing interest in
20 quickly reentering the U.S. market upon revocation of
21 the order. What weight should the Commission give to
22 that evidence.

23 MR. PERRY: Well, I think that obviously if
24 the order is lifted, they would come back in. But I
25 also think that what is going on now -- and Cal was

1 mentioning it -- is the Indians are now coming in too.
2 And this is I think a much bigger factor in the
3 marketplace than people realize, that the Indians are
4 really gearing up to come in and basically be the
5 lower cost provider now. So that's a big issue.

6 CHAIRMAN ARANOFF: Tell me something else.
7 I look at the fact, but I don't think we have a lot of
8 information in the record about the Indian industry in
9 terms of its potential export potential, and how we
10 would find it in the reasonably foreseeable future.
11 I'm sure the sky is the limit if you're looking at
12 some larger future period. But is there anything that
13 you can add, or perhaps Mr. Scott, based on your
14 personal experience in talking to Indian producers
15 about, you know, what kind of capacity is out there?
16 And can you tell us -- maybe you have to do this
17 confidentially -- how much Indian product is entering
18 the U.S. market right now, and whether you're the only
19 importer right now who is dealing with Indian
20 producers?

21 MR. SCOTT: A lot of that is confidential,
22 and we'll be happy to answer that afterwards. But I
23 can tell you this, that we are not the only importer
24 importing ironing boards from India right now, that
25 there are other major players tooling up, producing,

1 goods in the water now. It's coming.

2 CHAIRMAN ARANOFF: Okay. And when we look
3 at, you know, the potential for non-subject imports as
4 a way of keeping subject imports from reentering the
5 market in the sunset review, were we really looking
6 for something fairly concrete in terms of being able
7 to compare the relative capacities of the industries?
8 So I'd want to know could India really supply as much
9 as China has supplied, relative pricing, how quickly
10 could it get to market. And so the more details that
11 you can provide on that, the more helpful it would be.

12 MR. SCOTT: We can do that.

13 CHAIRMAN ARANOFF: Okay. I asked this
14 morning about metal top ironing tables, and the
15 domestic industry's testimony was they're out there,
16 but they're a very small part of demand and they're
17 not being brought into the market in order to save
18 costs. They're more of a high-end item. Would you
19 agree with any or all of those statements?

20 MR. SCOTT: Well, they're out there. We
21 just completed our major trade show last month in
22 Chicago, the International Housewares Show, and I can
23 tell you that previous major importers of metal top
24 ironing boards from China are now exhibiting or were
25 exhibiting plastic top boards in their booths in a

1 very large way. Chinese manufacturers are also
2 exhibiting at the show with plastic top ironing
3 boards. And the plastic top goes across the full
4 range, from a T-leg to a more expensive board.

5 From what I'm seeing, and I'm not involved
6 in plastic top boards, but from what I've seen,
7 pricing is quite similar to the metal top boards. The
8 functionality is very similar. The appearance is very
9 similar. When you look at it with a patent cover on
10 it, you wouldn't know the difference until you turned
11 it over. I think it's a matter of time.

12 MR. COOPER: If I could just add to that,
13 the product is actually lighter than the metal is.
14 You would imagine it's so easier to move around. And
15 with plastic, you can change the form in a greater way
16 than you could with metal, which can actually be a
17 potentially benefit to the ironing process. So, right
18 now, it's more of a buyer potential fight against them
19 coming than a consumer. I really don't know that the
20 consumers would care.

21 CHAIRMAN ARANOFF: Mr. Scott?

22 MR. SCOTT: I was just going to also say
23 that plastic top ironing tables are not new. They've
24 been in the market for many, many years. They're
25 widely accepted in Asia and Japan, parts of the Middle

1 East. They're out there. They've been there from
2 quite some time. This is just -- it's new coming
3 here.

4 CHAIRMAN ARANOFF: Okay. One of the things
5 we're trying to figure out, obviously, is how this
6 affects demand for metal top tables going forward.
7 And to make that assessment, it helps to understand
8 why the plastic top tables are in the market, whether
9 it's just to get around this order, in which case
10 maybe if the order were revoked, we wouldn't see a
11 whole of these; or whether it's to get around the
12 volatility and the price of steel, which it seems like
13 nobody was making that argument -- it sounded good to
14 me preparing for the hearing, but it doesn't sound
15 like it's true; or whether it's because of performance
16 features and sort of that constant quest for the new
17 product that consumers will buy. So, I don't know if
18 there's any sort of studies or articles or anything in
19 the trade press that would go to this issue, but I
20 certainly invite both sides to help us out on that, if
21 you could.

22 Okay. Now, I've gone over my time, so let
23 me turn to Vice Chairman Pearson.

24 VICE CHAIRMAN PEARSON: Thank you, Madam
25 Chairman. Welcome to this panel. Appreciate that

1 you're here. Mr. Cooper, you may have had something
2 you wanted to say in response to the questions and
3 observations raised by the question and, if so, please
4 go ahead.

5 MR. COOPER: In regards to the --

6 VICE CHAIRMAN PEARSON: Plastic top table
7 top.

8 MR. COOPER: Just in my own opinion, it's to
9 get around the dumping duty.

10 VICE CHAIRMAN PEARSON: And that's the case
11 even if though they apparently have been in Japan for
12 some years?

13 MR. COOPER: Yes. You know, plastic is more
14 expensive than steel typically. That's the way it is.
15 And you've got large factories with great
16 capabilities to make ironing boards. And I believe to
17 be in the game, they're willing to go off and there's
18 monies to be made and the demand in the U.S. is there.

19 VICE CHAIRMAN PEARSON: Okay, thank you.
20 When we decide this case, we're going to have to write
21 our views in terms of what we think might happen in
22 the event the order is revoked and we'll have to
23 consider issues like the volume of the imports that
24 might enter the marketplace and the price effects that
25 they might have and impact. And you haven't discussed

1 those issues in great detail. So, Mr. Perry, perhaps
2 turning to you, what about volume? Is it more likely
3 than not that if the order is revoked that the volume
4 of subject imports from China would increase coming
5 into the U.S. market?

6 MR. PERRY: Well, I think they would
7 increase; but at the same time, as we were saying, the
8 movement to India is huge. In fact, it was very
9 interesting is I went with them to India last summer
10 and their consultant there is a guy, who used to work
11 at Ikea, and Ikea is moving half of its products out
12 of China to India. So, India is becoming another
13 area. With the Indian imports in, that means maybe
14 the Chinese wouldn't come up that much.

15 Also, on pricing, you put your finger on it,
16 it's pretty hard to figure out this pricing and as to
17 whether you're seeing Chinese prices higher than HPI,
18 which really is stunning over the domestic product.
19 But, that's why I kind of -- I don't think it's going
20 to be as big of an event than everybody thinks it is.
21 Cal, what do you think?

22 MR. SCOTT: Well, I think that some Chinese
23 boards will creep back into the market. But, I know
24 for myself, I'm assuming for others, who have already
25 moved, I have no plans immediately to go back. We're

1 tooled. We spent the money. We've invested there.
2 We have a number of good factories there. And we're
3 going to develop that and continue to produce our
4 products there.

5 VICE CHAIRMAN PEARSON: Okay. Can you say a
6 little bit more about what's involved in switching
7 origin from one country to another, one factory to
8 another? I mean, this was not a small undertaking for
9 you to shift from China to India, was it?

10 MR. SCOTT: No. As long as you have a good
11 manufacturing facility with the right skilled people
12 there, it's not hard. It can be expensive because of
13 the tooling and the tool up and getting the designs in
14 and made again and it takes time and it takes effort.
15 It takes a lot of trips. But, once it's in play, it's
16 there and it will be effective and it will product
17 great quality merchandise that the consumer will like.
18 It's a good thing because the consumer has a choice.
19 The consumer has a choice to buy a better quality
20 product at a fair price in competition with anywhere
21 else in the world that once to come in. It's a good
22 thing. It's not a bad thing. And we have always been
23 exceptional in our product design and quality and
24 innovation and that's what leads the way, not just
25 finding a way to make the board cheaper and worrying

1 about Target squeezing you. You have to go back and
2 do your job and sell them and convince them that your
3 product is better. And what I saw here today is just
4 standard product, product that we've made a long time
5 ago and we're going to other things now. And that's
6 what keeps us viable.

7 VICE CHAIRMAN PEARSON: Would it be fair to
8 assume that it would be less costly and perhaps
9 quicker to move some production back to China if the
10 order was revoked just because there are factories
11 there that are experienced making these products;
12 you've worked with them before; they're some
13 preexisting relationships, et cetera?

14 MR. SCOTT: That's a fair statement. We can
15 go back to China and open up production again and
16 start it. Yes, we could do that.

17 VICE CHAIRMAN PEARSON: It would be easier
18 to take it to China than to Bangladesh, for instance,
19 where you would be starting from scratch?

20 MR. SCOTT: Correct. But, I'm already
21 getting better product now out of India. So, we're a
22 high-quality house. That's really what we strive for.
23 So, for us, I see no benefit of going back.

24 VICE CHAIRMAN PEARSON: And I think you
25 already have made a statement to the effect that the

1 costs that you're incurring in India are quite similar
2 to those in China?

3 MR. SCOTT: Very similar.

4 VICE CHAIRMAN PEARSON: Okay.

5 MR. PERRY: One thing I noticed, too, with
6 having been both in the Chinese and the Indian
7 factories is in a particular one Indian factory I went
8 to, which was unbelievably automated, and they were
9 punching out stuff. Their floors were clean like an
10 automotive plant. It was unbelievable. And I saw
11 that stuff and I was saying that this is very
12 different. And I think what's happening is I've been
13 going to India a long time, since almost the last
14 1990s, and within the last four or five years, the
15 Indians have really figured it out. And now when the
16 United States imposes an order against Chinese
17 products, the Indians are one of the first ones that
18 jump on the train and try to replace the Chinese.

19 VICE CHAIRMAN PEARSON: And just out of
20 curiosity, was that facility wholly Indian owned or
21 was it a foreign invested facility?

22 MR. SCOTT: Wholly Indian owned and it was
23 an automotive factory actually prior. When we came
24 in, there were robotic arms making ironing boards,
25 which is something we had never seen before.

1 VICE CHAIRMAN PEARSON: That does seem
2 particularly incongruous, relatively low wage rates.

3 How about pricing? Do you have -- can you
4 tell us any more about why we may be seeing the price
5 gap that we do observe in the staff report with the
6 Chinese products generally overselling the domestic
7 products, both in the original investigation and now
8 in this review investigation?

9 MR. SCOTT: I think I can. It seems to me
10 that a large part of this investigation dwells on the
11 T-leg ironing board business. And I can't remember
12 the last time we sold a lot of T-leg ironing boards.
13 Frankly, we've never been able to compete in the T-leg
14 business. We have never been able to compete against
15 HPI for the T-leg business. I've given up on that. I
16 gave up on that 10 years ago. I've given up pretty
17 much on the four-legged opening price board business.
18 I mean, they talk about Bed, Bath, and Beyond. We
19 gave that business to them. I walked away. There's
20 no way that I was going to match the price that HPI
21 was -- that Bed, Bath, Beyond was telling me I had to
22 match and they got the business.

23 So, I think with a lot of the pricing being
24 skewed down there and what's coming in from China,
25 more of a higher-end product, so the pricing is above

1 the T-leg business that everybody is sort of trying to
2 protect over here. That's my answer.

3 VICE CHAIRMAN PEARSON: Okay. And Mr.
4 Perry, the pricing products that we have now, they are
5 specified so that we have tried to get similar ironing
6 tables measured against relatively similar ironing
7 tables. Are those specifications close enough to give
8 us reasonable pricing data/

9 MR. PERRY: Let me talk to these guys. I'd
10 like to respond to that in the post-hearing brief
11 because I really haven't spent that much time zeroing
12 in on that issue. But it's interesting because some
13 of the speculation I heard before about HPI was that
14 it would be producing the low-end product in the
15 United States. But if it was importing anything, it
16 would be the higher end, which is kind of interesting.
17 And there was speculation maybe that's what they're
18 doing because they're so efficient in the lower end
19 that maybe they're the ones who can -- they're the
20 lost-cost product.

21 VICE CHAIRMAN PEARSON: Okay. And then
22 turning to impact, is there anything that would make
23 you think that if the order was revoked and Chinese
24 tables did start to come into the United States again,
25 that it would not have some negative impact on the

1 domestic industry?

2 MR. SCOTT: I think it would be minimal
3 because, again, we're looking at the T-leg ironing
4 board business here. That's really what -- they said
5 it today, their factory is really geared for the T-leg
6 business. Smaller volume is done across the street or
7 in that other factory. So, we've never been able to
8 compete in the T-leg business and I don't see that
9 changing. I can't compete in the T-leg business and
10 bullets coming out of India either. So, I don't see
11 that changing. Their T-leg business is what it is and
12 we've just never been able to go there and it
13 certainly isn't worth our while to do it.

14 VICE CHAIRMAN PEARSON: Okay. Thank you,
15 very much. Madam Chairman, my time is expiring.

16 CHAIRMAN ARANOFF: Commissioner Okun?

17 COMMISSIONER OKUN: Thank you, Madam
18 Chairman, and welcome to this afternoon's panel. I
19 appreciate you taking the time to be with us and
20 answer our questions.

21 Mr. Perry, I guess I'll just start and just
22 say I'm not going to ask this panel any further
23 questions about what the allegations are with respect
24 to HPI and the Chinese. And I think I would just note
25 that having listened carefully to the questions that

1 the Chairman posed to you and the point she made about
2 the legal relevance, I would just put myself in accord
3 with the questions she asked and the point she made on
4 that and look forward in the brief to seeing
5 additional information on the volume and price impact
6 for such factors that the Vice Chairman was just going
7 over with. So, I'm going to go that direction.

8 And, Mr. Scott, I think I'll start with you.
9 Just to make sure I'm understanding the current U.S.
10 market, you have talked about the T-leg business not
11 being where you all have tried to compete, the higher
12 end. Has the U.S. market changed? I mean, I guess I
13 still have the impression that that is still the bread
14 and butter of what's out there, the T-leg. Is my
15 impression wrong? Do you have different statistics on
16 that?

17 MR. SCOTT: It depends on where you play in
18 the U.S. market. I'm not a Walmart, Target, K-Mart
19 supplier. I guess if I was, the T-leg would be an
20 important product. Where we are, in the more middle-
21 to upper-end retailers, and some of them are big
22 boxes, as well as some of the clubs. They may have an
23 opening price point T-leg on their shelves. It won't
24 be mine. We tend to cater to the \$40 and up range.

25 So, I guess to answer your question, you

1 know, I think the market is pretty stable. It's been
2 this way. This is the way it's been. Whether there's
3 a dumping order on or not, it's just the way it is and
4 I don't see it changing.

5 COMMISSIONER OKUN: Okay. And then in terms
6 of the number of questions this morning that
7 Petitioners -- that Ms. Volles had responded on, you
8 know, if you go into a particular retailer, you do see
9 the different price prints represented and could they
10 be from different companies. Was there anything that
11 you heard her say that would be different than your
12 experience in selling to where you say the sweets are,
13 the market is for you?

14 MR. SCOTT: Well, I think the questions were
15 related to private label versus brand.

16 COMMISSIONER OKUN: Right.

17 MR. SCOTT: Yeah. We're certainly a brand
18 in the market. We do very little private label and we
19 go out of our way to try to make sure that that is the
20 way it happens. We don't care to promote someone
21 else's brand. We spend a lot of time and effort and
22 resources in promoting our brand and we have a wide
23 range of product, not only in laundry and ironing, but
24 in kitchen and bath, as well. So, the brand is
25 important. It's important to us that it is sown

1 throughout the store. So, our brand plays a role. We
2 are a brand in kitchen. We're in a brand in the bath.
3 Where we play, the buyers want a brand, especially at
4 our price points.

5 COMMISSIONER OKUN: And do they pay a
6 premium for a brand versus a private label?

7 MR. SCOTT: Well, they pay a premium in the
8 sense that they're buying a higher-priced ironing
9 board with more features, a more expensive ironing
10 board to start. That's where the price point comes in
11 because we give them a heavier board, a wider board,
12 more features, more sophisticated iron rests,
13 different things that we do that the other guys don't.
14 So that's why they like us and they like our brand and
15 they like the fact that we're throughout the store as
16 a brand.

17 They on the other hand play in an area where
18 brand is not important. The retailer beats it down
19 and they have their own brand in laundry. I mean,
20 they should have been able to tell you today that
21 Walmart's private label, K-Mart's private label,
22 Target's private label, Lowe's private label, that's
23 where they are. So, a majority of their business is
24 private label more so than a branded business. We're
25 the opposite of that.

1 COMMISSIONER OKUN: Okay. Then, I was
2 hearing a lot about the Indian market. Did you look -
3 - and, again, we're looking at the official imports
4 statistics, Taiwan, Mexico still -- I guess Taiwan,
5 India, Mexico, second, third, and fourth largest
6 sources, do you find yourself -- do you compete with
7 Mexican imports or product from Taiwan or are they in
8 a different part of the market?

9 MR. SCOTT: On ironing boards?

10 COMMISSIONER OKUN: Yes.

11 MR. SCOTT: I don't know of any ironing
12 boards coming in from Mexico or Taiwan. Do you? No.

13 COMMISSIONER OKUN: Okay. So, not where you
14 see them; okay. Again, I know you responded on the
15 plastic top ironing boards. But I wasn't sure if I
16 heard, the price point of those currently, are they
17 considered high end, at this point?

18 MR. SCOTT: They're across the board.
19 They're available as a two leg. They're available as
20 a longer board with an iron rest on the back at a
21 higher price point. From the preliminary pricing that
22 I've been looking at on plastic top boards, and Kerry
23 would concur, pricing is still very similar.

24 COMMISSIONER OKUN: Okay. So, across the
25 board?

1 MR. SCOTT: Uh-huh.

2 COMMISSIONER OKUN: Okay. And then in terms
3 of -- I lost my train of thought -- I guess just maybe
4 just related, I was thinking about the demand issues.
5 I mean, do you have forecast for demand that differ
6 from what we have on the record? I mean, do you still
7 see this as a kind of stable market, maybe some
8 decline? And if it's a decline, is it recessionary or
9 are there some long-term trends going on that we
10 should be aware of?

11 MR. SCOTT: We still -- the orders are
12 viable, both category for us, because, again, of our
13 innovation and a differentiation in the market where
14 we are and also where we are selling into the market.
15 We're selling into the market right now into the
16 channels that the consumer is purchasing at. With the
17 recession, this consumer has shifted. We're finding
18 that certain retail channels are doing much better
19 than others and we're in quite a bit of them.

20 MR. COOPER: If I could add --

21 COMMISSIONER OKUN: Yes, Mr. Cooper.

22 MR. COOPER: -- Mr. Pinkert's comment was
23 right on the money. We saw a definitive spike in
24 sells amidst the recession as it occurred. One of the
25 first things to go is dry cleaning and our sales of

1 boards and clothes dryers increased pretty nicely.

2 COMMISSIONER OKUN: And in terms of other
3 trends going on looking forward, do you see anything
4 else going on with respect to the steamers or the
5 other substitutes, I guess, for might drive demand?

6 MR. COOPER: We don't play in those
7 categories. I couldn't speak on that.

8 COMMISSIONER OKUN: Okay. But, you don't
9 see it taking away from people buying ironing tables?

10 MR. COOPER: No.

11 COMMISSIONER OKUN: Is it still going on?

12 MR. COOPER: Still happening.

13 COMMISSIONER OKUN: Still happening, okay.
14 I think with that, I don't have any further questions
15 at this time. I thank you for those responses.

16 CHAIRMAN ARANOFF: Commissioner Lane?

17 COMMISSIONER LANE: Good afternoon and thank
18 you for being here this afternoon. I apologize if I'm
19 going back over matters that were already covered and
20 it's probably because I've forgotten. But when we
21 talk about the settlement agreement, could you tell me
22 exactly what that is that you're referring to?

23 MR. PERRY: Well, I think you're going to
24 find it in the wooden bedroom furniture case. You'll
25 find it here, I think, but I'm not sure about here.

1 But, I know that in the wooden bedroom furniture case,
2 what is being done there is that there are, and this
3 is in the public press, is basically the petitioner
4 will come in and request reviews for a lot of
5 companies and then they will have a private
6 settlement. Actual money will go between the Chinese
7 or the importer and the petitioner and for that they
8 will withdraw their request for review. And in
9 furniture, it gets even more complicated because if
10 you're among the petitioners, you can let certain
11 companies off the hook automatically because they're
12 supplying you. If they're supplying other companies,
13 it gets more difficult.

14 What is interesting here is at least what we
15 were hearing was that there was, in effect, an
16 exclusive arrangement, where HPI was buying a lot of
17 products from Forever and in return, HPI would, I
18 guess, not ask -- request a review of them. And,
19 again, it was very curious at the Commerce Department
20 what was going on because HPI was hammering Since and
21 Fushin Shunda WireKing, but absolutely had no
22 arguments against Forever. So, we were trying to find
23 out what is going on. I mean, it does raise a lot of
24 flags.

25 CHAIRMAN ARANOFF: Well, Mr. Perry, I am not

1 familiar with a lot of things that happen at Commerce.
2 So when you refer to a settlement agreement, are you
3 talking about an actual written document that would be
4 between two parties as setting forth certain terms?

5 MR. PERRY: Yes. I think at certain times,
6 it can actually be a written agreement. Usually, it's
7 a verbal payment with a payment going from either the
8 Chinese producers or the importers to the petitioner's
9 counsel into their bank account. That happens.

10 Now, what happens in the case of this
11 situation, I'm not sure whether there is anything like
12 that going on. But, definitely, there are private
13 settlement agreements. And how detailed they are, the
14 Petitioner's counsel will know more about that than I
15 do and I'm again not sure if this is happening here.
16 I don't know what is going on.

17 COMMISSIONER LANE: And if there are such
18 agreements, are they discoverable? For instance, if I
19 asked the Petitioner to provide such an agreement, if
20 there is one, would that be an ordinary practice to
21 provide that?

22 MR. PERRY: I would think so. I mean, you
23 have subpoena power at the ITC. So, you've got the
24 power to get whatever you want to look at. I mean,
25 Commerce, for instance, doesn't have the subpoena

1 power. You do. So, you can get whatever you want to
2 look at.

3 COMMISSIONER LANE: Okay. So, Madam Chair,
4 if it's -- Mr. Chair, with your indulgence, I would
5 like to ask the Petitioners to provide such an
6 agreement, if one is, in fact, out there.

7 MR. PERRY: Commissioner Lane?

8 COMMISSIONER LANE: Yes?

9 MR. PERRY: The questions, which I really
10 like the way you phrased it, because I think the other
11 side has been parsing, you know, a little bit of I
12 smoke, but I didn't inhale. And the point is, it's
13 not only just what is their arrangement with this
14 company. I mean, maybe it's purely okay and
15 everything is fine and it may not to do with the
16 subject merchandise. It may be real simple, if you
17 sell to us, we'll buy from you in x area, but you
18 won't bother us there. I mean, at least you want to
19 know what's going on.

20 COMMISSIONER LANE: I'm going with it, so
21 we'll see what is provided to us.

22 MR. PERRY: Okay.

23 COMMISSIONER LANE: Now, we also heard this
24 morning about the demand for the product, that
25 generally limited demand. Now, do you find -- and I

1 think you've answered this before -- that your product
2 is really much more higher end than what we saw? Now,
3 why would someone want a higher end product than what
4 we have seen this morning?

5 MR. SCOTT: To trade up to something better.

6 COMMISSIONER LANE: Well, what would one
7 achieve with a higher end ironing board?

8 MR. SCOTT: Greater stability; thicker pad
9 and covers; wider tops; different configurations at
10 the end of the board to help the ease of ironing;
11 nicer iron rest on the back; iron rest that not only
12 hold the iron, but also store it when you put it away;
13 wheels that allow you -- because it's a heavier and a
14 wider board, allow you to lift it up and roll it
15 across the floor if you want to move it -- little
16 things like that, that add to it, that make it a
17 better product.

18 COMMISSIONER LANE: So, your experience that
19 with these higher end ironing boards, that people --
20 that the consumers pretty much have a laundry room and
21 they leave them set up all the time?

22 MR. SCOTT: In many cases, yes.

23 COMMISSIONER LANE: Okay. Now, when you
24 import your ironing boards, do you import them with
25 the covers?

1 MR. SCOTT: Yes, we do.

2 COMMISSIONER LANE: What has been your
3 experience with alternatives in the market? If people
4 aren't buying ironing boards, what are they doing
5 instead of using ironing boards?

6 MR. SCOTT: Other than full-sized boards,
7 there are tabletop ironing boards. There are sort of
8 pads that roll out on top of tables to do ironing.
9 What else do they have?

10 MR. COOPER: We, basically, in an effort to
11 increase sales and answer to some of the questions,
12 there's a large growing urban market for ironing
13 boards, people that live in the city that are in
14 apartments and they don't really have the space for a
15 full-sized ironing board. So, we took a full-sized
16 ironing board -- I'm going to speak simply -- chopped
17 the legs off, put it back together, so you've got a
18 reversible full-sized ironing board with a sleeve
19 board. You hang it in your closet like a suit jacket.
20 And it's those kinds of solutions. Otherwise, to be
21 truthful, people use their beds. They use the washing
22 machine. There's a multitude of things --

23 COMMISSIONER LANE: Do you find a lot of
24 people are using steamers instead of your ironing
25 boards?

1 MR. COOPER: I don't believe so. There was
2 a period where garment steamers were growing. But,
3 really, they were still being used with ironing
4 boards, I think. That's a niche market that you're
5 speaking of.

6 COMMISSIONER LANE: Okay. And what other
7 products do you produce, other than the ironing
8 boards?

9 MR. COOPER: Timers, thermometers, storage
10 canisters. We're mostly into kitchen storage, dish
11 racks, waste cans, and bath shower rods and very
12 exciting toilet brush and plunger holders. We have a
13 full line of household products, kind of, you know,
14 like a higher commodity line.

15 COMMISSIONER LANE: What percentage of your
16 business, your total business would you attribute to
17 the ironing boards?

18 MR. PERRY: We'd like to respond to that in
19 confidence.

20 COMMISSIONER LANE: Oh, okay. Thank you.
21 Now, would you explain to me why a plastic ironing
22 board would be more expensive than a steel ironing
23 board?

24 MR. SCOTT: I haven't fully studied the
25 plastic board versus steel board yet. I have a

1 variety of samples in my office waiting for me and I'm
2 heading overseas tomorrow. So, I don't really why one
3 is more expensive than the other at the moment. The
4 price of resin goes up and down. The price of steel
5 goes up and down. I'd have to look at it a little
6 more.

7 MR. COOPER: One thing I can say is that
8 plastic top boards typically have to have fiber
9 infiltrated in them to give it stability over time in
10 dealing with the heat.

11 COMMISSIONER LANE: Okay, thank you. My
12 time is running short, so thank you.

13 CHAIRMAN ARANOFF: Commissioner Williamson?

14 COMMISSIONER WILLIAMSON: Thank you, Madam
15 Chairman, and I, too, want to express my appreciation
16 for the witness's testimony. I'd like to go back to
17 this question of branding. Do I take it that
18 everything -- all of the boards you sell are under
19 your own brand name? Is that Polder or do you have
20 different brand names?

21 MR. SCOTT: The majority of the boards we
22 sell are under our own brand name. We do some private
23 label back-to-school promotional lower-priced point
24 table top ironing boards for certain people. But, we
25 -- full size boards, it's all under the Polder

1 brand.

2 COMMISSIONER WILLIAMSON: Okay. And I take
3 it you're not in most of the big box stores or are you
4 -- I'm still trying to figure out who are you selling
5 to, in terms of -- if it's not big box stores, is it
6 in one of the growing sectors?

7 MR. SCOTT: We sell to everybody but
8 Walmart, Kmart, Target, and at the moment, I guess,
9 Lowe's. But, we sell Bed, Bath, and Beyond; we sell
10 the warehouse clubs. We sell the hardware chains. We
11 sell the independent stores. We're just not the mass
12 discount channel supplier.

13 COMMISSIONER WILLIAMSON: Okay. But, you
14 are selling to a large number of large retailers?

15 MR. SCOTT: Absolutely.

16 COMMISSIONER WILLIAMSON: Okay. So, you're
17 saying that maybe private labeling trend, it's just
18 not affecting your segment of the market, as much as
19 it may be affecting some others?

20 MR. SCOTT: Many of our retailers do private
21 label in laundry. We just don't participate in it.
22 We sell them Polder branded ironing boards. It is
23 part of their way of doing business. But, they view
24 us as a brand and they like having us in the stores as
25 a brand and that's where we are.

1 MR. COOPER: I think there's a direct
2 correlation between price point and brand and if
3 you'll notice, most of the private label brands are on
4 the \$30 and below retail price points.

5 COMMISSIONER WILLIAMSON: Okay. You're
6 saying the recession didn't seem to adversely impact
7 the upper end, as much as maybe the lower end brands -
8 - as lower end products; is that --

9 MR. SCOTT: Our business has been quite
10 strong and continues to be so.

11 MR. COOPER: In this category, the
12 recession, I hate to say, probably helped our products
13 increase in sales because people are cutting costs and
14 this is a tool to help cut costs at home.

15 COMMISSIONER WILLIAMSON: Okay. And they're
16 going to compensate, they want to get a new ironing
17 board, something like that.

18 MR. COOPER: You know, I'm amazed at how
19 many ironing boards are sold every year.

20 COMMISSIONER WILLIAMSON: Okay.

21 MR. SCOTT: They're not sending out as much
22 dry cleaning. So, they want to iron and they need the
23 ironing board better and more efficiently, so they buy
24 a better product.

25 COMMISSIONER WILLIAMSON: Okay.

1 MR. SCOTT: It's still cheaper in the long
2 run.

3 COMMISSIONER WILLIAMSON: Okay. Good, thank
4 you. I think I'm beginning to understand. This
5 difference between a perforated top and mesh top, is
6 that a very important factor for you or is it --

7 MR. SCOTT: We've been importing ironing
8 boards, like I said earlier, since the 1970s and we
9 started back then by bringing in ironing boards that
10 are made in Germany and Italy. All the better higher
11 end, better quality boards coming out of Europe at
12 that time were and still are mesh tops. When the
13 Chinese entered the market, they entered in with mesh
14 tops. They didn't make the capital investment to make
15 the tool and dye for the stamping of the perforated
16 tops. It's easier to make a mesh top than it is to
17 make a perforated top, from a tooling standpoint,
18 because all you have to do is buy a metal expander,
19 cut it to the size you want, and weld it on to the
20 frame.

21 COMMISSIONER WILLIAMSON: Okay.

22 MR. SCOTT: And you're not as limited in
23 your manufacturing capabilities with mesh as you are
24 with a single-sized top that's stamped and perforated.
25 With mesh, you can make it wider. You can make it

1 shorter. You can make it longer. You can do a lot of
2 different things very easily just by running it longer
3 or shorter, putting on a wider roll.

4 COMMISSIONER WILLIAMSON: Good. Thank you
5 for that. This may have been asked previously, can
6 you comment in your post-hearing brief on the pricing
7 comparison between sale prices for domestic product
8 and directly import prices? This is for products
9 three and five. So, in post-hearing, can you address
10 the difference?

11 MR. PERRY: Sure. We'll address that in the
12 post-hearing brief.

13 COMMISSIONER WILLIAMSON: Okay. And either
14 now or in post-hearing also the pricing comparison
15 between domestic product three and imported product
16 four.

17 MR. PERRY: We'll do that.

18 COMMISSIONER WILLIAMSON: Okay. Thank you.
19 Also, you've talked a lot about India going market and
20 all. I know we have certain data. But, I was
21 wondering if you have any data or information you
22 could provide it on sales trends in 2010 and the
23 indication where the market is going in regards to
24 imports from India, their ability to sell in this
25 market, because I'm not sure we have anything on the

1 record that addresses that.

2 MR. SCOTT: We can supply you with that
3 information.

4 COMMISSIONER WILLIAMSON: Okay, thank you.
5 Madam Chairman, I have no further questions at this
6 time. Thank you.

7 CHAIRMAN ARANOFF: Commissioner Pinkert?

8 COMMISSIONER PINKERT: Thank you, Madam
9 Chairman. I just want to begin with this issue of the
10 T-leg business. And I'm wondering if you have any
11 knowledge about whether other importers have given up
12 on that business, as well.

13 MR. SCOTT: To the best of my knowledge and
14 from what I've heard, the majority of the T-leg
15 business is being handled and has been handled by HPI
16 for quite some time now. The business with other
17 importers has predominantly gone to smaller four-
18 legged ironing boards and higher -- a little higher
19 quality ironing boards, or I should say higher
20 featured, higher end ironing boards that can draw a
21 higher price. It's predominantly made here in the
22 states.

23 COMMISSIONER PINKERT: But there's still
24 some importation in that area?

25 MR. SCOTT: Not that I'm aware of at the

1 moment.

2 COMMISSIONER PINKERT: In the post-hearing,
3 if there's anything that you can come up with to
4 supplement that answer, that would be helpful.

5 Now, the staff report indicates at IV-5 that
6 Chinese producers of ironing tables also produce non-
7 subject merchandise on the same equipment. Is there
8 anything that you can add to that, anything you know
9 about that, that can help us to understand how
10 pervasive that is?

11 MR. PERRY: Table top ironing boards is one.

12 MR. SCOTT: I don't think so. Parts are
13 different. The jig for a table top board is a
14 different tool than a jig for a full sized board.
15 And, so, no, you're not going to make the same ironing
16 board -- you're not going to make a table top board on
17 a full sized ironing board tool. It's not
18 conceivable. You might send them down the same paint
19 line, in addition to all of your other products that
20 may be coming out of that factory, if they're being
21 painted. But, as far as actual tooling to make the
22 composition of the product, the tools are the tools.
23 You have a tool for one product and a tool for the
24 other and you can't interchange them.

25 COMMISSIONER PINKERT: Mr. Cooper, I saw

1 that you were shaking your head on that. Do you agree
2 with what Mr. Scott has testified to?

3 MR. COOPER: Being that he's my boss, yes.

4 (Laughter.)

5 MR. COOPER: But, no, I mean, that's what it
6 comes down to, is that it's the same process. It's
7 like making a little ironing board, but the exact same
8 process. But, it cannot use the same tooling in this
9 machinery.

10 COMMISSIONER PINKERT: Thank you. Now
11 turning to the EU antidumping duty, can you tell us
12 what the effect of that has been on the Chinese
13 manufacturers?

14 MR. PERRY: Let me respond to that in the
15 post-hearing brief.

16 COMMISSIONER WILLIAMSON: Certainly. Now,
17 again, to the best of your knowledge, have you seen or
18 are you aware of ironing tables imported from Taiwan
19 into the U.S. market during the period from 2004 to
20 2009?

21 MR. SCOTT: No.

22 COMMISSIONER PINKERT: We can't get the head
23 shake on the record, Mr. Cooper.

24 MR. COOPER: That's a no.

25 COMMISSIONER PINKERT: Thank you.

1 MR. PERRY: One thing I was going to say
2 regarding India and these other countries, I know that
3 when -- in the initial investigation, I was asking the
4 importers, well, what about Vietnam and they were
5 saying, no, it can't work. And I think that part of
6 the reasons that you have to have for an ironing table
7 industry, it helps if there's a steel industry in the
8 country. And you've got to get steel. And Vietnam,
9 for instance, doesn't have much of a steel industry,
10 but India does. And that, I think, is one reason why
11 the Indians can be more efficient in this area, it's
12 the access to the steel.

13 COMMISSIONER PINKERT: That's a good segue
14 into my next question, which is have you seen or are
15 you aware of any ironing tables imported from Mexico
16 into the United States during the period from 2004 to
17 2009?

18 MR. SCOTT: No.

19 COMMISSIONER PINKERT: There, again, if
20 there's anything that you can supply on this issue in
21 the post-hearing, that would be very useful. And with
22 that, Madam Chairman, I have no further questions.
23 Thank you, very much, for coming in today.

24 CHAIRMAN ARANOFF: Just a few follow-up
25 questions. Mr. Scott, I want to make sure I

1 understood the answer that you gave to a question that
2 Commissioner Pinkert just asked you. You had said
3 that you didn't compete in the T-leg business or other
4 sort of opening price point products in the U.S. Did
5 you just say that as far as you know, no other
6 importers are competing there, as well?

7 MR. SCOTT: I don't know of any other
8 importer right now that is importing T-leg ironing
9 boards.

10 CHAIRMAN ARANOFF: By "right now," you mean
11 while this market subject to this order?

12 MR. SCOTT: That; but prior to that, I think
13 that the importation of T-legs from China decreased
14 substantially.

15 CHAIRMAN ARANOFF: Prior to the imposition
16 of the order?

17 MR. SCOTT: Yeah. I mean with or without
18 the dumping duty, I know that I was never able to
19 compete. I know others will tell you the same thing.

20 CHAIRMAN ARANOFF: Okay. I'm not sure we
21 have anything in the record that would substantiate
22 that, but I certainly invite both sides to address
23 that post-hearing, if you would like.

24 Are you also -- you had said that you don't
25 like to be in the private label business. At least

1 for the subject product, you don't do it. Are other
2 importers from China or from other countries
3 participating in private label business?

4 MR. SCOTT: They have in China, while the
5 goods are flowing in. They will from India, I know,
6 under a private label banner will be coming in from
7 India.

8 CHAIRMAN ARANOFF: Okay. I'm just trying to
9 assess the extent to which your personal business
10 strategy or the way that you've positioned your
11 business is representative of the other importers and
12 I know you said that there's only a few and you know
13 them pretty well. So, that's why I'm asking you.

14 MR. SCOTT: I'm sorry, say that again.

15 CHAIRMAN ARANOFF: I said, I'm trying to
16 assess the extent to which your business model is
17 typical of the other major importers in the market,
18 because you've said there's only a few and that you're
19 familiar with them.

20 MR. SCOTT: Yeah, well, there are only a few
21 and we're the only one that really focuses sort of
22 where -- in the channels where we are, it's more of a
23 branded channel, where the other guys come in for the
24 more mass or the Walmart type customer. That's a
25 private label business and that's dictated by the

1 retailer, who demands that.

2 CHAIRMAN ARANOFF: Okay. All right. And
3 Mr. Perry, are you still representing Whitney Design
4 in this matter?

5 MR. PERRY: I am. They decided not to come
6 today --

7 CHAIRMAN ARANOFF: Okay.

8 MR. PERRY: -- frankly because of the
9 bankruptcy issues they're facing.

10 CHAIRMAN ARANOFF: Can you tell me, what is
11 their current status? Are they still a going concern?

12 MR. PERRY: They've gone into bankruptcy and
13 basically the company was sold and then free and
14 clear. They went into bankruptcy because of the
15 antidumping liability. And I'm sorry, I was kind of a
16 little bit flippant when I talked before, but I've
17 dealt with so many importers that are facing massive
18 problems, millions of dollars in liability. I've had
19 good old boys crying to me because they lost their
20 business. So, this is a very difficult time for some
21 of them.

22 CHAIRMAN ARANOFF: So, that has been sold.
23 So, it's not a going concern anymore. But, the assets
24 less those liabilities were sold off to --

25 MR. PERRY: They basically sold it -- it's a

1 specific provision of the bankruptcy code and if you
2 want, I can actually send you the bankruptcy opinion,
3 which is kind of interesting. It's public by the
4 judge. And it was sold to a company called Households
5 Essentials. But, you basically can read the opinion,
6 it's right there, as to what happened. And they
7 address -- it's interesting because the bankruptcy
8 judge addresses the issue of the antidumping
9 liability.

10 CHAIRMAN ARANOFF: And my understanding is
11 that the bankruptcy judge's decision is still on
12 appeal?

13 MR. PERRY: Yes, although it's kind of funny
14 because there may have been a mistake by the
15 government on that one because they appealed the
16 motion to stay and not the sale, itself. So, it's
17 going to be interesting to see how this falls out on
18 appeal.

19 CHAIRMAN ARANOFF: So that means the sale
20 has been consummated despite the opinion?

21 MR. PERRY: Yes.

22 CHAIRMAN ARANOFF: Okay. And is the new
23 entity which now holds the assets, are they currently
24 importing ironing tables?

25 MR. SCOTT: Not at this point.

1 CHAIRMAN ARANOFF: Okay. So they are not at
2 the current time importing the subject merchandise
3 or --

4 MR. SCOTT: Definitely not.

5 CHAIRMAN ARANOFF: -- from non-subject
6 countries either?

7 MR. SCOTT: Yeah.

8 CHAIRMAN ARANOFF: Okay. And when they were
9 earlier --

10 MR. SCOTT: I should basically -- Cal marked
11 me, not subject merchandise. They are importing
12 plastic, plastic ironing tables.

13 CHAIRMAN ARANOFF: Okay. Perhaps you can
14 tell us, confidentially if you need to, from where.
15 My last question about Whitney, and this is against --
16 I'm going to ask Mr. Scott. You know, Mr. Scott is in
17 this particular part of the market where he's selling
18 branded products fairly high end and he's not in the
19 private label and he's not selling T-legs. What part
20 of the market was Whitney in during the period that
21 we're looking at in the review?

22 MR. SCOTT: Their major clients are like
23 Walmart and companies like that. They were down lower
24 than Polder and that was in the investigation, in the
25 testimony at the hearing.

1 CHAIRMAN ARANOFF: Okay. With that, I don't
2 think I have any further questions. Vice Chairman
3 Pearson?

4 VICE CHAIRMAN PEARSON: Thank you, Madam
5 Chairman. Just a couple of clarifications. Mr.
6 Scott, you may have said this already, but the Polder
7 brand name, is it Polder or is it something else?

8 MR. SCOTT: It's Polder --

9 VICE CHAIRMAN PEARSON: I'm sorry?

10 MR. SCOTT: It's Polder, but we're going to
11 the banner of Polder Home Tools, where life meets
12 style.

13 VICE CHAIRMAN PEARSON: Okay. I like it.
14 Several people have mentioned steamers and I think of
15 steamers as a nice bowl of clams that come out often
16 as an appetizer. How does a steamer relate to ironing
17 clothes or getting wrinkles out of it? How does this
18 work?

19 MR. SCOTT: Well, they both work to take
20 wrinkles out of the clothes, steam from an iron and
21 pressed against a flat surface or steam from a steamer
22 allowing the way of the garment to steam, shocks the
23 garment, loosens it up, and the way the garment pulls
24 down and the wrinkle is removed.

25 VICE CHAIRMAN PEARSON: Is it like steam

1 chamber? Mr. Cooper?

2 MR. COOPER: It's actually a hand-held
3 device that you plug in and fill with water and you
4 hang your clothes vertically and you vertically --
5 instead of on an ironing board horizontally, you would
6 vertically steam.

7 VICE CHAIRMAN PEARSON: Is it faster or
8 slower than ironing?

9 MR. SCOTT: It's about the same.

10 MR. COOPER: I like it.

11 VICE CHAIRMAN PEARSON: Okay. Thank you for
12 that. I do have some experience ironing, enough so
13 that if I can find a faster way to do it, I probably
14 would be willing. I'd like to thank this afternoon's
15 witnesses. Madam Chairman, I have no further
16 questions.

17 CHAIRMAN ARANOFF: Commissioner Okun?

18 COMMISSIONER OKUN: Thank you. I just have
19 one question. This morning's panel had mentioned e-
20 commerce as perhaps another opportunity to get new
21 product out or to increase market share. Do you have
22 experience with that? Is that something that you're
23 using and have found any --

24 MR. COOPER: Yeah, absolutely. The web, in
25 general, sales are increasing and that's just an

1 organic growth that is every year getting bigger and
2 bigger. The large big box, as well as the mom and pop
3 type organizations have a web presence. And, quite
4 frankly, who would rather not receive a box at their
5 door with an ironing board in it than carrying it in a
6 car, home. You know, you have to think about that.
7 I'm always amazed when I see people in line at CostCo
8 with ironing boards standing proud, you know, that
9 decision. That's a couple of things you've got to
10 think about. But what happens is we are seeing it
11 happen. The important thing to note is when you buy
12 something off of the Internet, the shipping and
13 handling is a significant charge, especially for
14 ironing boards, as opposed to smaller goods. So, if
15 you were to buy something off of the web, you would
16 tend to buy something in the mid to higher price to
17 validate the purchase, rather than paying \$15 for an
18 ironing board and \$12 to ship it.

19 COMMISSIONER OKUN: If there are any studies
20 out there on the growth potential from web-based
21 sales, that would be great. Just my own self, I just
22 look for the people that don't charge you for shipping
23 and handling and that seems to be an area of great
24 competition on the web.

25 MR. COOPER: As long as you spend that

1 minimal amount of money that they insist, they'll do
2 it.

3 COMMISSIONER OKUN: Yes. But, it is
4 interesting. It's a different -- you're looking at a
5 price point versus someone higher end saying, you
6 know, let's just skip the shipping and handling and we
7 make it back somewhere else.

8 MR. COOPER: Yeah.

9 COMMISSIONER OKUN: Very interesting. Thank
10 you for all of those comments.

11 CHAIRMAN ARANOFF: Commissioner Lane?

12 COMMISSIONER LANE: Mr. Scott, if this order
13 were to be revoked, would your company consider coming
14 into the market in the T-leg ironing boards?

15 MR. SCOTT: Knowing what I know and if all
16 things remain the same, no; maybe on a very
17 specialized basis, on a limited volume. But, we're
18 not certainly going to seek out and try to conquer the
19 world with T-leg ironing boards and get that placement
20 or get that extra space on the shelf for a T-leg
21 board; no.

22 COMMISSIONER LANE: Mr. Cooper, do you agree
23 with your boss?

24 MR. COOPER: Yeah. Yes, I do. And to be
25 perfectly up front, we look at everything. So, when

1 we are in China, when we're in India, we look at those
2 prices for the opening price point boards, including
3 the T-leg. We have not been able to find anything
4 that can be competitive in the U.S. market right now
5 against HPI.

6 COMMISSIONER LANE: Okay, thank you. Madam
7 Chairman, that's all I have.

8 CHAIRMAN ARANOFF: Commissioner Williamson?

9 COMMISSIONER WILLIAMSON: Thank you, Madam
10 Chairman. Just the most recent discussion about
11 competition at the lower end, could you take a look
12 at, for post-hearing, the data on the product three
13 versus the data on product five and discuss this
14 question of the competition at the lower end and the
15 T-leg and four legs, just so we can get data regarding
16 China? Thank you. And with that, I have no further
17 questions.

18 CHAIRMAN ARANOFF: Commissioner Pinkert?

19 COMMISSIONER PINKERT: I don't have any
20 questions, but I would like to note for the record
21 that two of the male Commissioners on the panel have
22 indicated some familiarity with ironing.

23 (Laughter.)

24 COMMISSIONER PINKERT: I have no further
25 questions.

1 CHAIRMAN ARANOFF: Are there any further
2 questions from Commissioners?

3 (No response.)

4 CHAIRMAN ARANOFF: Do the staff have
5 questions for this panel?

6 MR. CORKRAN: Douglas Corkran, Office of
7 Investigations. Thank you, Chairman Aranoff. Staff
8 has one additional question that's relevant, in light
9 of the testimony today on the question of product from
10 Mexico and Taiwan. It's the same question I asked the
11 domestic panel. As in the original investigation, the
12 Commission has questionnaire responses from the
13 leading importers of ironing tables. However,
14 comparison of Tables C-1 and C-2 suggest that the
15 official import statistics from both China and other
16 countries may be over inclusive, despite the use of an
17 HTS statistical reporting number dedicated to metal
18 top floor standing ironing tables. Going forward,
19 would you, please, consider the utility of using
20 questionnaire data, rather than official import
21 statistics.

22 MR. PERRY: Will do.

23 MR. CORKRAN: Staff has no further
24 questions.

25 CHAIRMAN ARANOFF: Thank you. Does domestic

1 industry have any questions for this panel?

2 MR. IKENSON: We do not, Madam Chairman.

3 CHAIRMAN ARANOFF: Thank you. Well, then,
4 it falls to me to again thank the afternoon panel. We
5 appreciate all the time and we appreciate the
6 additional answers that we've asked you to supply
7 post-hearing. So, thank you, very much. We will ask
8 you to take your seats further back so that we're
9 ready to proceed to closing. Let's see, the time
10 remaining, those in support of continuation of the
11 order have 13 minutes of their direct time left, plus
12 five minutes for closing, for a total of 18 minutes.
13 Those in opposition to continuation have 49 minutes
14 left from their direct presentation, as well as five
15 minutes for closing, for a total of 54 minutes.
16 Unless anyone objects, we usually just combine those
17 two times and allow you to use as much of them as you
18 would like.

19 MR. IKENSON: Madam Chairman, I just
20 conferred with counsel for the Respondent group and
21 the two of us have agreed to waive our opportunity to
22 provide you with summary, if that's acceptable to the
23 Commissioners.

24 CHAIRMAN ARANOFF: Is there any objection to
25 waiving closing arguments?

1 (No response.)

2 CHAIRMAN ARANOFF: There doesn't appear to
3 be any objection. I guess that means that we are not
4 going to hear closing arguments. All right. In that
5 case, I'll get right to the closing statement. Post-
6 hearing briefs, statements responsive to questions and
7 requests of the Commission and corrections to the
8 transcript must be filed by April 22, 2010, closing of
9 the record and final release of data to the parties
10 takes place on May 13, 2010, and final comments are
11 due May 17, 2010.

12 Thank you, again, to everyone for your
13 willingness to start the hearing a little late. It
14 doesn't seem to have affected our ability to complete
15 our business in a timely manner and we appreciate
16 everyone's participation. With that, this hearing is
17 adjourned.

18 (Whereupon, at 3:26 p.m., the hearing in the
19 above-entitled matter was adjourned.)

20 //

21 //

22 //

23 //

24 //

25 //

CERTIFICATION OF TRANSCRIPTION**TITLE:** Ironing Tables and Certain Parts Thereof**INVESTIGATION NO.:** 731-TA-1047 (Review)**HEARING DATE:** April 13, 2010**LOCATION:** Washington, D.C.**NATURE OF HEARING:** Hearing

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

DATE: April 13, 2010**SIGNED:** LaShonne Robinson
Signature of the Contractor or the
Authorized Contractor's Representative
1220 L Street, N.W. - Suite 600
Washington, D.C. 20005

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

SIGNED: Rebecca McCrary
Signature of Proofreader

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

SIGNED: Gabriel Gheorghiu
Signature of Court Reporter