UNITED STATES
INTERNATIONAL TRADE COMMISSION

In the Matter of:	**) Investigation Nos.:**
PLASTIC DECORATIVE RIBBON	**) 701-TA-592 and 731-TA-1400**
FROM CHINA	**) (PRELIMINARY)**

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UNITED STATES OF AMERICA

BEFORE THE

INTERNATIONAL TRADE COMMISSION

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PLASTIC DECORATIVE RIBBON : 701-TA-592 and

FROM CHINA : 731-TA-1400

- - - - - - - - - - - - - - - - - -x (Preliminary)

Courtroom C

U.S. International Trade

Commission

500 E Street SW

Washington, DC

Wednesday, January 17, 2018

The Conference commenced, pursuant to notice at 9:31 a.m., before the Investigative Staff of the United States International Trade Commission.

APPEARANCES:

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Elizabeth Haines, Supervisory Investigator
Calvin Chang, Investigator
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Opening Remarks:
Petitioner (Daniel B. Pickard, Wiley Rein LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:
Wiley Rein LLP
Washington, DC
on behalf of
Berwick Offray, LLC
Christopher Munyan, President and Chief Executive Officer, Berwick Offray, LLC
Julie Pajic, Director of Pricing, Berwick Offray, LLC
Lee Boy, Vice President of Manufacturing, Berwick Offray, LLC
Rudy Singh P.E., Director of Manufacturing, Berwick Offray, LLC
Dr. Seth T. Kaplan, International Economic Research LLC
Travis Pope, Associate, Capital Trade Inc.
Amy E. Sherman, International Trade Analyst, Wiley Rein LLP
Daniel B. Pickard, of Counsel

Rebuttal/Closing Remarks:
Petitioner (Daniel B. Pickard, Wiley Rein LLP)

I N D E X

P R O C E E D I N G S

MS. HAINES: Good morning. And welcome to the U.S. International Trade Commission's conference in connection with the preliminary phase of antidumping and countervailing duty, Investigation Numbers 701-TA-592 and 731-TA-1400, concerning plastic decorative ribbon from China.

My name is Elizabeth Haines, supervisory investigator on these investigations, and I will preside at this conference. Among those present from the Commission Investigative Staff are Calvin Chang, investigator, Brian Allen, attorney, Nabil Abbyad, economist, Amelia Preece, economist, and Jennifer Catalano, industry analyst.

I understand the parties are aware of the time allocations. Any questions regarding the time allocations should be addressed with the secretary.

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

All witnesses must be sworn in before presenting testimony.

Any questions? And I understand everyone is sworn in, I have been told. Okay. Very well.

Let us begin with the opening remarks, please.

OPENING STATEMENT OF DANIEL PICKARD

MR. PICKARD: Good morning. I'm Dan Pickard of Wiley, Rein, here today on behalf of the petitioners.

In light of the fact that we're not going to have a panel in the afternoon, what we thought we would do is just a few brief introductory remarks and then we would get right to it.

So I'd just like to tee up one or two legal issues. First, in regard to the domestic-like product definition, it's our position that there should be one domestic-like product coextensive with the scope. In regard to the domestic industry definition, there is a related party issue. Because of the BPI connected with that, we will expand upon that in our post conference brief.

I would like to tee up just a couple of very quick conditions of competition. The questionnaire responses make clear there are no supply issues here on behalf of the domestic industry. In regard to interchangeability, the vast majority of questionnaire responses indicated that the Chinese product and the domestically produced product are always or frequently interchangeable.

In regard to the importance of price and purchasing decision, vast majority of questionnaire responses indicated that factors other than price are never or only sometimes important.

And then there's going to be a special emphasis in this investigation in regard to the importance of seasonality in the domestic industry, and our witnesses will talk to that.

Very briefly, in regard to current material entry, the record that's been assembled makes clear that there's evidence of material injury both in the trade data, in the financial data and in the employment data.

The issue that I would emphasize is this is just as strong of a threat case as it is a current material injury case, and I think you see that in the questionnaire responses as well, as far as documented excess capacity, export orientation, projected increase and also the amount of imports that are already scheduled for import into the United States.

With that being said, we're going to start off with Chris Munyan, CEO and president of Berwick, who is going to give an overview of the industry and the injury that's been caused as a result of the unfairly priced imports. Then we're going to go to Julie Pajic, to my left, who is going to provide testimony in regard to conditions of competition and pricing issues in the domestic industry. Then we're going to go to Lee Boy, who will provide an overview of the domestic production process, and last but certainly not least, Dr. Seth Kaplan is going to provide an analysis in regard to conditions of competition, injury factors and threat factors.

So thank you again for your time.

Chris?

STATEMENT OF CHRISTOPHER MUNYAN

MR MUNYAN: Thank you, Dan.

Chris Munyan, Berwick Offray. Good morning, my name is Chris Munyan, and I'm the president and CEO of Berwick Offray LLC. I've worked with Berwick Offray, its affiliates or parent company CSS Industries since 1993, so this marks my 25th anniversary. We all take great pride in our company, but we take the greatest pride in remaining an American manufacturer true to our roots and community.

This is no small accomplishment at a time when naysayers say made in America is anachronism and American workers just can't compete. We have proved them wrong again and again and we have no plans to change.

We can only compete in a fair fight, and that's why we're here today. This morning I and my team speaking on behalf of our company and the over 650 employees who produce U.S. plastic ribbon are asking for your help.

We've been injured by unfairly traded ribbon imports from China and we are threatened with greater injury in the future. These imports have taken sales and market share at our expense using a combination of Chinese government subsidies and illegal dumping, both the company and its employees have suffered.

Berwick Offray started as Berwick Industries over 70 years ago. The business started right after World War II using excess silk parachute material left over from the war that was slit, dyed and rolled into ribbon. In the late 1960s, the company was the first to product extruded plastic ribbon. The product was created as a low-cost alternative to woven satin ribbon. Berwick Offray really created the plastic ribbon market.

Today Berwick Offray is the last remaining major U.S. plastic ribbon manufacturer. Our manufacturing facilities located in Berwick, Pennsylvania, once the center of a thriving ribbon industry. We have survived and prospered through the innovation and dedication of our employees. We've been innovators in both the manufacture and design of plastic ribbons.

As you will hear later, we are a completely vertically integrated producer beginning with clear polypropylene pellets and ending with a myriad of ribbons and bows in various sizes and design features, from metallic surfaces to holographic finishes. Each of these design features has been produced in-house based on years of investment and equipment, modification to our machinery by our production engineers and refinement to the manufacturing processes. This is both art and science to ribbon making and we are fully committed to both.

We do this so our customers, the major retail chains, and their customer, the American consumer, have the best possible selection at the best possible price.

To further our goals to maintain -- remain the industry leader and to increase our value to our retail customers, we purchased Hollywood Ribbon in 2015. Hollywood Ribbon was an American company with the vast majority of its workforce in Mexico. Upon the purchase we moved all of Hollywood's production to the United States, creating more jobs for American workers in our Berwick, Pennsylvania, facility. Unfortunately the creation of new jobs in Berwick has been undercut by the surge in dumped and subsidized imports from China. The increase in our production was short lived, as shipment, sales and market share suffered. Our financial performance in plastic ribbon business suffered as well.

Many of the employees hired after the Hollywood acquisition are now gone due to sales loss to Chinese competition.

We see no end to the surge in dumped and subsidized imports. Chinese producers are active in the market. Import volumes already high will increase without relief.

Internet sales are increasing at a rapid rate as consumers shift their purchase to online retail sales. There are 80 different sellers at Amazon.com sourcing ribbon from China.

If you search ribbon on Alibaba, you will find over 60,000 listings from just Chinese producers. Chinese product being sold online are taking share today from our company and in the future threat will only increase driven by low dumped prices and growing capacity from motivated Chinese producers.

Plastic ribbon products are used for holiday and life events with most product use for Christmas and birthdays. Our sales are mainly to large retail customers that order programs that bundle a variety of ribbon products.

Because of the concentration of retail customers, the loss of a single program or meaningful share of a single program could have a large negative effect on our plastic ribbon business. And as with many retail products, customers have become more price-focused. In such an environment, any increase in material costs are difficult to pass on to the process.

In addition, U.S. ribbon market appears to be the most attractive market for Chinese producers. All the factors that made us vulnerable to unfair imports from China.

We believe the Commission, when presented with these facts, will understand the Chinese imports have injured and threatened to injure domestic ribbon producers. We have assembled a team that can answer your questions about the production, marketing, sales and financial structure of our company and the industry.

On behalf of the Berwick Offray family, its production workers, machinists, designers, marketing team, management and their families, we respectfully ask that you consider the record assembled by the Staff and reach an affirmative decision.

Thank you very much, and I wanted to introduce Julie Pajic.

STATEMENT OF JULIE PAJIC

MS. PAJIC: Good morning. My name is Julie Pajic, and I am the director of pricing for Berwick Offray. Thank you for giving me the opportunity to appear before you today.

I've been working at Berwick Offray for over 23 years. Over the years, I've held many roles, most recently

I served as director of sales, but prior to that, I served as executive vice president of marketing and senior vice president of sales and marketing.

This past month I started my new role in director of pricing.

Given my years of experience in the ribbon industry, I would like to spend my time this morning showing you the types of ribbon we market, describing the channels we sell and finally discussing the competition we encounter in the U.S. ribbon products market.

Berwick is a U.S. manufacturer, making ribbon products in the United States for over 70 years. Our most impressive trait is the ability to produce plastic decorative ribbons and bows from start to finish.

That is, we take raw polypropylene pellets and transform them into finished goods tied to a celebration or commemoration of people's lives.

Our products make people feel special as they receive a holiday gift or bouquet of flowers adorned with ribbon.

That said, our ribbon products are often the last step our consumers think about when finishing a gift. This means we must be very visual in our display and competitive in our pricing in order to convince consumers that a ribbon is needed as a memorable final touch.

Hence we've made it our passion to be innovative in manufacturing and design. As Chris mentioned, we essentially created this industry, and we did so entirely within Berwick, Pennsylvania.

To be able to do so, this from start to finish, manufacturing here in the United States, requires production processes that are constantly being developed and reengineered to be more efficient and competitive.

We pride ourselves on the ability to reflect on and respond to changes in market conditions when designing our products and our production processes.

As the largest ribbon product producer in the United States, we are experts at figuring out which products will succeed in the market and then how to make those products.

I have provided some swatches at the very end of the table to show just a small variety of substrates we were able to produce within our factory.

Berwick produces a range of plastic ribbon products. Our products are designed with the end use in mind and the channel which we are servicing.

That said, there are three broad categories in which we create and sell product. First categories are seasonal products and channels.

Seasonal ribbons products represent a large percent of our sales. These products we manufacture for the season are primarily comprised of multiend ribbon products and bulk bags of ribbon converted into bows.

These multiend ribbon products contain strands of many different colors, sizes, styles and substrates. And I would like to just take a second to just visually show you what that might look like.

The bulk bags of ribbon converted into bows can contain anywhere from eight to 100 bows in a variety of colors, sizes, styles and substrates. I have also included some examples on the front table.

Consumers need to buy these products in bulk because they will be wrapping a lot of gifts for the holiday. The channel of distribution for seasonal ribbon products consists of retailers. The sales negotiations are with the retailers, are typically happening the winter a year ahead of the Christmas season in which a shipment is made.

As you will hear from Lee Boy, production is concentrated in the second and third quarters before the Christmas season. The product is typically shipped late in the third quarter or the fourth quarter.

Here is an example of our timeline for the upcoming 2018 holiday.

Sales negotiations would typically occur in

October of 2017 through April of 2018. Production is concentrated in April of '18 through September of 2018, and shipments would typically occur between September and November of 2018 to our retailers.

The second category is called all occasion, which consists of single ribbon products for customers who only need one particular occasion covered, like a birthday.

Since these are sold individually and can sometimes be a little bit more elaborate or larger in size, they tend to command a higher retail price per piece.

These products are also sold to retailers. The timing of the sales process can vary by retailer, but typically, they are shipped in the spring. Price negotiations for products in this category can vary from auction, where we are bidding blindly online, to item quotes as we do for seasonal.

The third category we sell ribbon products is in bulk put-ups to distributors for retail to businesses. These businesses would incorporate the product into their final finished good.

For example, our ribbon products are incorporated into balloon bouquets or floral arrangements for resale to a consumer. Timing of these sales happen all year long and the pricing discussions are similar to the all-occasion process.

Regardless of the channel, our buyers are strikingly savvy. From my years of experience in sales, I can tell you that our buyers are incredibly sophisticated, with many of them having MBAs from schools like Harvard or Wharton. As a result, negotiations with these buyers are intense.

Negotiations often come down to a half penny. To further detail our negotiations, retailers also ask for our price-to-cost breakdowns. This process opens up the detail on what components may go into make our product, and when they want a lower price, they ask us to alter those products.

Increasingly so, the most important factor in selling our ribbon products through buyers is price. When I started to work at Berwick in the 1990s, price was a critical factor in the sales process, but it was not the only factor. There used to be a time when our unmatched expertise, innovation was one of the most important factors in a customer purchasing decision.

Back then, our high quality, experience in the industry and commitment to delivery and innovation were equally important factors in attracting customers.

Remember, this was a U.S. industry that Berwick created. As such, we are truly experts in the field and possess unparalleled knowledge when it comes to producing and selling ribbon products. Over time, however, our products and marketing methodologies have been picked up by Chinese firms.

I have seen Chinese ribbon product items that are exactly like our product, but at a price below the cost of production. In fact, some of the Chinese prices are so low that U.S.-made ribbon cannot compete on price, so we actually buy Chinese products in order to fulfill the needs of our customers.

That said, Chinese ribbon products and U.S. ribbon products are essentially interchangeable. As you will see, there are two boards, also on the front table, that show the very similar products that were made in China as well as the United States.

As experts in our field, we believe that our ribbon products are a higher quality, but we recognize to our customers ribbon products from China and ribbon products from the United States are essentially the same.

Once again, this is likely because price is a dominant consideration that our customers make when choosing which ribbon products to purchase.

To illustrate interchangeability of Chinese and U.S. products, you can look at those boards in more detail after our presentation.

In my over 20 years at Berwick, I have not seen a shortage of supply, and we have not been able to fulfill a customer's order because of lack of capacity or innovation of any part.

In fact, when Chinese orders of ribbon products are late or arrived damaged, we're often called upon by our customers to fill these orders at the last minute.

Likewise, demand in the U.S. for ribbon products is steady. This is a mature industry due to the fact that ribbon products have been an important part of gift giving in our culture for generations. In other words, the year-to-year demand for ribbon product in the United States does not differ significantly.

This means that the recent surge of Chinese imports has not been caused by a dramatic uptick in demand, but rather the result of something else.

To summarize, I want to reiterate that we know ribbon products. We know the production processes required to produce ribbon products and the cost structure in doing so. What we do not know is how the Chinese ribbon products are entering the United States at prices far below the cost of production. The primary input in producing ribbon is the underlying polypropylene plastic.

Polypropylene is a commodity that we buy in bulk. We do not believe that Chinese producers can buy this commodity at a lower price than we can.

We also have the most efficient and innovative production processes in the world, yet we cannot match the price of the Chinese imports. This all suggests that there are other forces at play allowing Chinese ribbon products to flood the U.S. market at low prices.

If these investigations are not able to provide relief, I fear that the people in this community would really suffer. Without a remedy for unfairly priced imports, our manufacturing plant may have to go silent.

The effects of the surge of the Chinese imports in the U.S. market extends past a loss of profit for Berwick or closing of a manufacturing operation. It's a direct hit for our community. That would be disastrous for Berwick employees, the town of Berwick, Pennsylvania, and the surrounding counties.

As one of the largest employers in Berwick, we provide reliable, high-paying middle class jobs to this small community where there are not many other employment opportunities. Many of Berwick's employees have worked here for decades. Any loss of jobs would be just devastating.

To conclude, I would like to reiterate that Berwick created the U.S. ribbon product industry, that industry is starting to disappear right before our eyes, though, and if we cannot protect innovative American industry like this, it will not exist in the future.

Thank you for your time, and I will now turn the microphone over to Lee Boy, who will talk about our production processes.

STATEMENT OF LEE BOY

MR. BOY: Lee Boy, Berwick Offray. Good morning. My name is Lee Boy, and I'm the vice president of manufacturing at Berwick Offray. In this capacity, I oversee the production of plastic decorative ribbons in our Berwick, Pennsylvania, facilities in Berwick, Pennsylvania. I have served as vice president of manufacturing for 12 years and have 21 years of prior experience in the plastic extrusion and conversion industry.

I would like to take this opportunity to introduce you to the production process for plastic decorative ribbons. I prepared a short slide show that I would present along with production flowchart and product samples to illustrate the steps in our manufacturing process.

In the slide show, for each process step shown, and I will get there in you just a second, and we are new to this room as well, so what we prepared for the slide show was an awe-inspiring slide show. But what we have actually is printout. And the printout has in the bottom right corner page numbers, in a number that's a little bit too small for me to read, but I'll be referring to those page numbers as we go along, so hopefully it will be fine, just slow me down if I go too fast.

The slide show is a production flowchart and product samples to illustrate the steps in our manufacturing process. For each process shown, you're going to see the input, a representative sample of the machinery used and the output that goes to the next step.

In some cases, in the printouts, the machinery is covered, but we'll hopefully deal with that when we get there. We hope these pictures help to illustrate the amount of labor, physical capital, human capital and value added involved in the domestic manufacture of plastic decorative ribbons. We never stop trying to improve the efficiency and quality of Berwick ribbons and all the employees contribute to this common goal. Our facilities are vertically integrated. We start with raw polypropylene, such as the samples that you see here that Dr. Kaplan is going to bring up, the raw polypropylene, regrind, colorant and a mixture of the above.

We start with raw polypropylene such as the samples you see here, and finish with the final goods that you see in Julie's samples.

As you will see in the slide show, this is not a quick, one-step process. Individual products can require as many as 50 to 60 steps, each of which involves a separate piece of sophisticated machinery, operated by employees who have been specifically trained for the process. The slideshow is in section 3. As I mentioned, the slides were intended to be displayed so there will be a few duplicate slides, but we'll get through that using the page numbers.

Page numbers are in the bottom right.

In slide number 1, you will see a process map. The process, we'll refer to that back and forth. So I'm only going to be referring to one step at a time.

The process starts with extruding the film using a proprietary process and blend developed over many years designed to minimize our raw material costs while still producing ribbon with the strength and softness necessary for later automatic processing.

Slide number 2, the resin ingredients are first blended in a batch process. The resin in slide number 3, the resin blend is then mixed with colorant in the proper proportion for feeders and extruder. All of our process scrap, such as trim, is reground, process trim is reground and re-pelletized in-house and these pellets are also added back online at this time.

The output is a master roll of extruded film.

The final product contains either plain --

referring to slide number 4 again, the final product is going to contain either plain, printed or metallic ribbon.

For metallic ribbon, the next step is metallization. Slide number 5, Berwick Offray invested in metallizing capability in 2015. Prior to that, all of our metallic film was produced by purchasing master rolls of metallized PET and laminating to the polypropylene master roll that we have extruded.

With metallization, a portion is shifted to metallizing directly on the polypropylene master roll, which eliminates the laminating step and gives a deeper luster.

For the remaining metallic, the purchased PET can be metallized in-house, eliminating the outside process.

Referring back to the process map on page 6, lamination is the next step for glitter, our other products. And in slide 7, these -- lamination is accomplished in high-speed coater laminators. These machines are also used for producing label stock in-house from paper and release liner for the bow tabs and product labels.

Slide number 8 also refers -- is a duplicate.

Slide number 9, referring to the process map again, printing as custom-printed designs to the poly, laminated or metallized film.

Slide number 10, the primary printing processes include narrow flexo, wide flexo and gravure. Not shown here, but to reduce cost and increased speed to market, we invested in digital plate making in 2008, an in-house ink mixing in 2011, allowing us to start with the primary components rather than purchasing mixed ink, added additional presses in 2011 and '13 for capacity, and invested in rapid prototyping equipment in 2016 to improve our speed to market.

What you see here is the master roll, inks and the printed final roll.

Referring to the process map, again on slide 11, the primary finishing processes are embossing and hot stamping.

Slide 12 and slide 13, we begin -- crimping is the first process I'm going to discuss. Crimping, we emboss, cut and traverse wind narrow ribbons into a master roll for later processing. And slide 15, for wider ribbons, we either emboss the ribbon with several patterns and cut into pies online, or in slide 17 -- slide 17, plain ribbon is cut directly into pies. By pies, I'm referring to straight wound rolls of film for the larger widths. For traverse wind, I'm referring to a roll that might look like you would buy cord or traverse wound like you would buy cord at a hardware store. Just for the narrower films.

Referring back to the process -- 17, sorry.

Slide 19, ribbon could also be hot stamped in one or multiple colors in dedicated high-speed operations.

And in slide 21, flocked ribbon. Flocking is depositing polyester fibers on the film to give a velvet-like texture. Flocked ribbon is cut to width in hot cutting machines to give the best edge finish.

Referring back to the process map in slide 22. At this point the ribbon can either be spooled or tied into the bows. The ribbon is interchangeable between those two processes. I'm going to start with the spooling process at the bottom and move to the bow production processes later on in the presentation.

On slide 23, I list the spooling processes. The spooling processes used depend on the number of ends and the types of spools. Ribbon can be wound onto itself in kegs, onto tubes, onto spools, paper board spools, or on to injection molded spools.

The equipment to make the tubes, spools and other packaging components isn't included in these slides, but those processes are made in-house as well.

In 2007, Berwick Offray developed and built equipment to make spools and tubes. In 2006 and 2014, additional presses were bought to make flanges, cards, tags and stickers in-house. And in 2011, the investments in people and processes were made to become a certified packaging printer, which is required to produce packaging for a number of our retailers.

In 2014, two injection molding machines were added to make plastic spools in-house.

Referring to slide number 24, you see the first process, automatic traverse winding equipment winds one or more ends of ribbon onto a tube or a spool.

In slide number 26, bulk spooling equipment winds one end of ribbon onto a paper or plastic spool.

Slide number 28, keg machines wind ribbon onto itself.

Slide number 30, one-up spooling machines wind ribbon onto cords for put-ups that are too heavy for a pasted spool, with flanges applied in automatic blocking machines.

In slide 30, that's -- sorry, we just referred to that, one-up spooling machines.

So in slide 32, multiple ends can also be wound, straight wound, on tubes or on spools.

Referring back to the process map on slide 23, we have several different processes for bow production as well.

In slide 35, pool bows are formed through two processes. The first that I show here is sonically welded.

In slide 37, standard bows are formed and packed on cards. In boxes are, as Julie referred to, in bulk in bags or boxes.

The process to make bulk bow bags and fill bulk boxes is not shown, but it's a proprietary process that outputs the finished bag complete from pies of the multiple renditions.

Berwick bought the company that developed the original machines in 1996 and has continued to develop the machines and the process in-house since. The bow machines, conveying equipment, packaging machines are configured into linked cells, depending on the needs for the season.

Bow bags are printed in-house from plain film on wide web high-speed flexo presses and folding boxes are die cut in-house and folder glued in-house on high-speed folder gluers.

Referring to slide 39, megabows are formed on large bow machines, tiny bows are formed on dedicated machines, specifically designed for that size.

Perfect bows, the second type of pull bow that I refer to, formed with rings between each loop. And finally, curl swirls are formed on machines that curl the ribbon and staple to a tab.

As Julie discussed earlier, the production process is designed around getting our customers Berwick plastic ribbons into their stores for the holiday season. That means production ramps up between February and July and continues through November, for shipments in September and through November.

To meet seasonal demand, we use a workforce of approximately 600 production workers who, on average, work on a full-time basis for about eight months per year.

Our workforce ranges from about 250 active at the seasonal low point to about 600 active at the seasonal peak. We provide benefits for these workers while active and for up to four months while inactive.

The average production worker has been employed with us for about 15 years, and 30 percent have been with us over 20 years. It's just another way that Berwick strives to meet the needs of our customers and the needs of our workers.

Before I close, I should note that also with us today is our director of manufacturing, Rudy Singh. Rudy is directly responsible for the operations you've just seen. He has 15 years of experience in that role, and over 20 years of prior experience in plastic extrusion and converting operations. Rudy and I will be happy to answer any questions that you have. Thank you.

STATEMENT OF SETH KAPLAN

DR. KAPLAN: Good morning, Seth Kaplan of International Economic Research. I too have a slide show that is not nearly as visually intriguing as the previous one and probably a little easier to get through.

Before going through it, though, I just -- after seeing the last show before you did and knowing that the Commission is less familiar with the ribbon industry than, for example, the steel industry, I was struck by the amount of continuous investment in machinery and intellectual property and the number of steps taken. I did not imagine the complexity to the production process, both the art and the science to the production of a wide variety of different plastic ribbon products.

We would be more than helpful for giving you any materials you need to demonstrate this and when you write up the production process and discuss this, because it's something probably new for you. It's different than the other ribbon product you've seen before, and we really do want to impress upon the Commission the sophistication of both the product and process technology, and the intellectual property and the trade secret history in this company that has progressed and has been dedicated to this product since World War II.

Let me now start my presentation. There's some redundant slides that I was going to click through, and

I'll just say go to the next slide. I fortunately don't have to go backwards in this process.

So I'm going to speak about three things. This is on the second slide, the conditions of competition, injury and threat. And then the third slide says lo and behold, the conditions of competition come first.

Now we will get to the substance on slide 4. These are the four major conditions of competition. They don't necessarily fit neatly into the supply/demand interchangeability, but they are important and I think they cross cut some of these.

The first is U.S. investments, and those investment, as I'll talk about soon, have to do with the acquisition of Hollywood Ribbon, but also the internal investments talked about in machinery and equipment.

Second is the seasonal disconnect between sales negotiations, production and payment that Julie talked about earlier.

Third is the customer concentration, which has economic effects in terms of the bargaining power of agents, and how the market functions. And last is the price-based competition that drives this industry.

The next slide refers to the -- to Berwick Offray's acquisition of Hollywood Ribbon in 2015. The first thing that we want to note is that there is a commitment to domestic production here.

While Hollywood Ribbon is a U.S. company, the majority of their employees were in Mexico. And so when production was back to the United States, these were new U.S. jobs created in Berwick, Pennsylvania, producing the product completely in the United States, and that the jobs that were lost were unanticipated as when you acquire a company, you expect production to increase and sales to increase, and I'll talk about that soon.

The second thing about that, is at least to this point on the record, given the information you now have, and I'm sure you're going to talk about this to us later, the POI to trends are distorted, is that Berwick's questionnaire reflects the acquisition starting in '15. So there is a rise in production and then you see the decline later as the imports have taken share.

Finally I just want to note that the expectations of performance in this industry were based on competing fairly, and the decline in profitability was not anticipated because increases in unfair imports were something that was not at the volume and magnitude as it was during the latter parts of the period of the investigation during the interim period.

The next slide is a visual of the timeline that Julia described earlier. The sales negotiations began months ago for the holiday season this year and are continuing now.

Once those negotiations are completed, production increases. As Lee stated earlier, there's some base production going on year-round. You kind of know, as he said, that once it hits the holiday season, you're going to be using some red and green. But the specific parts of what actual products are asked for are done during this negotiation period, and then the production ramps up during this peak production period to meet the orders to fill the stores for the holiday season. And you see the shipment strength September through November.

One other fact to note from both the financial analyst and the economic analyst is that the payment then occurs. The materials were purchased by the company, you know, well in advance of the payment. So they're carrying this as it goes along. And that requires, you know, either some financing or a higher rate of internal return to carry the inventories until payment is received.

The next slide talks about the customer concentration, and this is something the Commission is well aware of for many cases at the retail level. A large share of sales of both domestic producers and importers are to a small number of large retailers.

The level of customer concentration gives these retailers significant bargaining power in sales negotiations with the domestic industry. This is something you've heard time and time again and have recognized that with giant retailers, such as Wal-Mart and Target and other retailers, that they have significant buying power and significant leverage.

Negotiations are typically for program sales of all plastic ribbons. This gives the retailers leverage. While we could discuss later how ribbons are priced individually, usually many stores over time are looking for a basket of these products, and so in some cases, you're at risk of losing the whole basket or a significant share of the basket or a very large product within the basket that also gives the company leverage.

What this ultimately means is that the loss of a single large customer or the share of a large customer could severely affect domestic manufacturing operations and industry performance. This is not the steel industry with many, many, many customers and a ton-by-ton basis. This is concentrated purchases and concentrated seasonal purchases, to the great American retail companies in the United States.

The next slide talks about competition being based primarily on price. And that's reflected in the -- in the questionnaire responses, where other factors of price are sometimes important but -- and occasionally never important. But it is in the mix, and as Julie noted, the product in some ways has become more price-sensitive over time as the quality and the designs of the products have become interchangeable, and as consumers have become more price-sensitive and as price discovery both from the retail stores and the consumer through the Internet has become -- information has increased to everybody, allowing these prices to be observed.

So the products are always -- or frequently interchangeable. Customers have excellent information on prices. Evidence submitted with lost sales and lost revenue allegations demonstrate that price is the focus of sales negotiations.

The growing importance of direct Internet sales to consumers has increased the severity of price competition.

So that covers what I think are the main conditions of competition that might be peculiar to this industry. We've discussed certain supply and demand conditions that are common to many industries and are typically discussed in chapter 2 of the report, but I did want to call particular attention to these.

Let me turn to injury. Subject imports are significant. They are significant in and of themselves.

We'll talk about the increase in them later. But the -- they are a large share of the market, and the conditions of competition make their presence at that share, whether they are rising or falling, significant.

The products compete on price, the program sales magnify the effect of absolute volumes of imports. Competition from subject imports leads to significant excess capacity and underutilization once they reach a certain level, whether they are rising or falling. It goes from 20 to 30 or 30 to 20. There's excess capacity that lowers efficiency and affects the domestic industry and injures them in certain circumstances.

The customs data also demonstrate that subject imports are significant.

The next slide, subject imports have increased absolutely and relatively to production. Subject imports nearly doubled over the POI. The imports have increased relative to production, they have increased relative to consumption.

I want you to note that if you just look at the value of imports and the prices you see in the staff report, either AUVs or prices in the pricing products I'll talk about later, those are declining.

So if you have rising values and declining prices, volumes are increasing, it's more evidence of an increase in volume. I think every way you look at the record, you see this increase. I understand that the data, because it doesn't match up to the HS codes and the HS codes don't have quantities in them, that, you know, as investigators, that you're putting this together.

But I think all the data demonstrates an increase in import volumes relative to both production and consumption.

The next slide turns to pricing, and the pricing situation is complex here.

There appear to be significant problems with importer reporting of shipments and pricing data that the Staff is trying to work out. This is not your typical product.

Some of these problems are potentially due to conversion factors, as we're measuring things in square yards. And some of it could be due to level of trade issues of whether these are bulk retail sales or sales to individual consumers. I'm sure the Staff is looking at that closely.

The importer AUVs are inconsistent with Internet and in-store retail prices, and we will show some of that information.

So I know you're working hard to clarify this. I know this is difficult. Anything we can do to help, we will. But I also want to note that in the narrow woven ribbon investigation, the same unit of measure was used, and it was worked through and it didn't pose a problem. This can be done. People have seen this and even some of the same Respondents in this case responded in that investigation using the same measures that were proposed here, and were able to complete their analysis and the questionnaires and work with the Staff.

But any help you need, we're here in any way we can.

U.S. producers make or buy decisions demonstrate underselling. We have faced prices, as Julie has discussed, where we had to import the product because it was below the cost of production. That indicates underselling. Lost sales allegations demonstrate underselling.

Whether or not they were confirmed, whether price was the main reason. Take a look if they show the prices were below. This is an underselling issue, and that shows underselling.

And finally, price is a very important factor, and the subject imports have gained market share, which is indirect evidence of underselling in this investigation. So we'll work it out when we can get the data, but we'll see what happens.

In this investigation, the quantity change alone and the impact is enough to reach an affirmative determination, in our view, as an economist, that the volume effect being significant and the impact on the financial data, trade data and employment data, I think, is -- will show that the volumes did cause injury. We think the prices do as well.

Let me turn now to finally the impact. The domestic financial performance on slide 13 has deteriorated since Berwick acquired Hollywood ribbons. Over the 15-16 period and the interim period, net sales value and volume decreased, gross profits and margins decreased, operating profits and margins declined, net income and net margins declined, and COGS increased as a share of net sales in '15 to '16 and from -- during the interim periods.

Return on investment declined from '15 to '16.

As you are looking at this data, I urge you to caution a little bit about the interim data, because of the way the shipment data works, is that it's shipped in the third and fourth quarter, and from year to year, that could vary slightly both on the domestic side and the import side.

So full year data is more probative, but the level of profitability is indicative of what's happened in full year 2017.

Not only did the financial performance decline, the trade performance declined, as you see on page 14. Production declined, capacity utilization declined, shipment quantity and value declined, unit values declined, inventories increased, all factors that the Commission examines when looking at injury.

On page 15, we could see the employment performance declined. After the acquisition, when employment increased, when jobs were moved from Mexico to the United States, from Mexico to Berwick, Pennsylvania's facility, the dumped and subsidized imports took market share, and so the hours worked fell. Number of production workers fell and the annual wages fell.

So looking at the impact factors both as a financial and financial category, in a trade category and in an employment category, they all fell.

Finally, let me turn to threat quickly. On page 17, we see that the conditions of competition make the industry especially vulnerable to injury, that the customer base is concentrated, that the seasonal disconnect between production expenses and payments for final goods creates some vulnerability, and the intense price competition, high price visibility and increasing importance of Internet sales make the industry vulnerable.

The domestic industry is unable to fully pass through increases in material costs when those costs are rising, because companies like Wal-Mart and Target want to hold the line on prices and lower prices if they can.

Sometimes vulnerability is looked at through a financial prism by the Commission. I would ask the attorney to look at these conditions and the susceptibility of the domestic industry to injury because of the conditions of competition through the context of vulnerability as well. And I think the Commission is vulnerable both given its financial condition and because these conditions of competition aggravate the effects of imports.

Finally, let me go to the last slide, which is the checklist of statutory factors. With respect to volume, the exporting country is increasing their exports. We believe there is unused capacity. We believe that capacity is increasing.

Imports have increased and we have no reason to believe that they will decline. In fact, they -- we have evidence in the questionnaires of increases coming, and they're very active in the market. And the lost sales and lost revenue suggest that they will continue to be.

The countervailing subsidy is another factor that we have in this case. The price declines that we've seen, we have seen price depression in this investigation as unit values and prices have declined. And finally, the impact would be expected to continue, and those would be actual negative effects on the financial condition, but also on the ability to invest. The lowering of capacity utilization means higher costs, fixed costs have to be carried.

And so we believe that there is a strong case to be made for threat in this investigation.

That concludes my presentation, and we'd be happy to answer any questions.

MS. HAINES: I guess that concludes your --

MR. PICKARD: This is Dan Pickard. Yes. That concludes our direct presentation. We'll be happy to answer any questions.

MS. HAINES: Thanks very much. Thanks for the testimony and coming through the snow to make it here. We will start Staff questions with the investigator, Mr. Chang.

MR. CHANG: Good morning, and thanks to everyone for taking their time to present. A lot of the information has been quite enlightening.

I think to kind of go back to the most recent presentation, I think as has been acknowledged, in terms of collecting the data and quantities, that's been a bit of a challenge, given the nature of this industry.

And so we as the Staff want to get guidance from you as to any sort of conversion that we can have from whatever units -- because as you can see, there are all kinds of different bows here. So if there's some sort of conversion factor that we can rely on moving forward from whatever original unit to square yards, that would be more helpful, because I feel we're kind of wading in the dark right now and relying on different entities to come up with their own methodology, which I think has contributed to some of the perceived inconsistencies in the data.

MR MUNYAN: Chris Munyan, Berwick Offray. Thank you for the question.

I wish there was a conversion factor, but there is not.

We make so many different types of products. So whether it's bows or ribbon and the differences in width and the differences in loops and the differences in diameter of the products, all are variations.

So for us, square yards is really -- it's a lot of math, but that's the math that would have to be used.

So very similar to when we had the narrow woven case, where we had different widths, different lengths and different materials, and that was the best common kind of factor we could use. And even at that time, there was no kind of conversion factor that really could be determined.

MR. CHANG: Well, then we're probably going to run into the same problem should this go into a final. So is there a way to convert maybe kilograms into square yards? Because at least the import statistics do provide shipping weight. So is there a possibility to convert kilograms or the packaging into square yardage in some form? Because if we don't have some sort of conversion factor or some sort of consistent -- some sort of metric, we're going to run into this problem in the future.

MR. PICKARD: Sure. This is Dan Pickard from Wiley, Rein again.

I guess I would start off with -- and just to kind of follow up on what Chris said in regard to why we chose square yards. Not only because that was what was used, kind of that's what's used in the industry on a regular basis, and on top of the fact that that was what the Commission used in the previous case.

But we also, if I recall correctly, were aware that Respondents had made arguments in the narrow wovens case in the -- commenting on the draft questionnaires for an alternative unit of measurement, and the Commission rejected that.

So that's further complicated by the fact that the official import statistics to date don't have a weight measurement, right. For the two narrowest HTS numbers, it's done on a value basis.

At the end of the day, the area for a ribbon really is kind of a function of length times width, right, that part of the basic math. I would point out -- and we're aware that it creates some difficulties, but companies were capable of doing it in the narrow wovens case, many of the companies were capable of doing it in this case. And when it comes to the Commission evaluating kind of the credibility of objections to it, I would note that it's -- some of the companies with the largest amount of assets or resources are indicating that maybe they are having the largest difficulty with this. And I think it's fair for the Commission to kind of question the credibility of those objections.

MR. CHANG: Okay. So my next question might get a similar answer. So in terms of value, I've come to increasingly realize, as you can see, there are a ton of different ribbons here, and I'm beginning to realize that there's different values attached with the different types of bows and the different types of ribbons that are produced, because obviously as outlined in the manufacturing presentation, there are quite a few differences in terms of how these products are ultimately produced.

So if possible, if I can sort of get a list of -- so I think there was like six different types of bows, like standard, pull, mega, tiny, spiral. If there's a way I could get some sort of average value for these products in like per square yards, that would be really helpful. Because then at least it will help us get a sense of the different value data that we're getting from each company -- each of the companies, because I'm noticing that, at least based on the record that we have now, there's quite a variance in the average unit values, and we're just trying to get a sense of what may be causing that.

I think some of it might be due to inconsistencies in the quantities that are reported, but I do also believe that some of that might be attributed to the fact that importers in particular are handling a wide range of products very much like you guys are producing a wide range of products. So if possible, if I can get some sort of metric that I can make heads or tails of all these different products, that would be really helpful.

MR MUNYAN: Chris Munyan, Berwick Offray. For one rule, we will see if it's something we can provide in the post-conference brief, but one is there's so much mix variation here across the product that really taking something down to even let's call it a common bow is that you can have printed, it could be holographic, it could be metallic, it could be metallic tone, it could be lacquered. Each of those things have substantially different cost factors, depending on the width of the ribbon, the size of the number of loops.

So I think it's going to be very difficult. I mean, we're going to see what we can do. But it's also very similar to the narrow woven case, where we had again different widths, and the variation between a very narrow satin ribbon and a wide metallic ribbon are extremely different. So it was the similar type of thing. We couldn't provide that at that time.

DR. KAPLAN: Seth Kaplan, IER.

As was discussed by Lee, the ribbon comes on a pie, it reaches a certain point, at which point it's spooled as ribbon or sent for further conversion. There's a length to that, there's a width of that.

You put it on a machine to make the ribbon with a pie which has a length and a width.

So while it does require some conversion, this is not rocket science. This is arithmetic. It might be hard arithmetic, but it is arithmetic. And it was done in the previous case.

Even when you get to the processed ribbon, the bows, it started out as a width and a length and you knew how much went through to make your ribbons.

So there might be some conversion issues, you might have to think it through a bit.

The other point we do know is that we know the value of these purchases of these imports. So we do have a total value number, and we know which way it's headed. And we do -- if they use a consistent measure, even though it might be the wrong one, whether that -- whether the -- and they all are showing the value is falling, the average unit value.

If you have the total value going up and the average unit value falling by the measures that are reported, you know the quantity is increasing even faster than the value.

So you can bring out some information from the -- just those simple facts. But we hope you could -- and we can try to help you to get to the same kind of method that was used in narrow wovens, and having been through this ourselves, we certainly feel your pain on this one.

So let us know how we can help. But given that, length and width seem to be the simplest type of measure, and we don't have quantity measures in the HS numbers, which don't fully cover the POI as well. We're faced with the same problems you are, and we think that square yards is the best you can do.

MR MUNYAN: Chris Munyan, Berwick Offray.

Just to expand on that is our MRP system, which we've used for years that has documented bills of material, are all driven off the specific substrate. And then width and length. And that creates material usage, and that's what -- we've been using that for our cost and what's standard to be able to produce any type of product. You have material usage, whether it's narrow woven or extruded plastic.

MR. CHANG: All right then. I guess maybe the best or maybe easiest option, I don't know if that's even the right word, but I could even just get a range, like give me even a broad -- slightly broad kind of grouping of products, and if I can get some sort of range, at least hopefully, that gives me something to work with in terms of moving forward. So if that -- if you could at least look into that for the post-conference, it would be much appreciated.

DR. KAPLAN: Yes. And we will -- if you could clarify that in written questions, we will provide anything that we can that helps.

MR. CHANG: So kind of shifting gears a little bit. I was just wondering from you guys if there's anything -- any in-scope product that you all don't produce, or do you guys produce everything that's in scope of this investigation?

MR MUNYAN: Chris Munyan, Berwick Offray. One, we produce over 99 percent of the product currently, and to give an example of some of the products which are minor products that we do not produce, our plan is to build capabilities around those products.

For example, years ago we produced a product which would have been called a fireworks bow, which is a trapezoidal bow, and we produced machinery for it. We had automated equipment that we spent $500,000 on for that. And because of dumped Chinese products at that time, we had to stop production. So we shifted all that production overseas. That machine sadly got scrapped because there was no need to have it around because we could not compete on those products, so our plan is to go back to building that equipment again. And we can do anything covered within the scope.

MR. CHANG: Okay. So sticking to the production theme, so I'm taking a second look at this kind of color-coded chart that we have here. And one thing I noticed was so when you look at the extrusion-produced polyfilm and you follow the orange arrow, it goes directly to warehousing and shipping.

So if I interpret that graph correctly, do you all also sell just the extruded plastic to end users, to distributors? I just want to get a sense of what's going on there.

MR MUNYAN: Chris Munyan, Berwick Offray.

Since -- again, I've been with the company for 25 years, we've also had a part of our production even on the narrow woven side, but consistent with the extruded plastic side, where we sell bulk products to other potential converters, or to even industrial users, but it's still fundamentally extruded ribbon. Very small percentage of our sales.

MR. CHANG: Okay. So with that being said, in the petition in addition to yourselves, you I think listed five or six other companies as U.S. producers. However, based on the record we've collected thus far, it seems that they may just be what you said, they might just purchase, maybe, preextruded film and then essentially convert it to ribbons. Would you say that's the correct characterization for a lot of these companies? Or do they also extrude the plastic, their own plastic as well, more like your guys' operation?

MR MUNYAN: Chris Munyan, Berwick Offray. I don't have exact specifics because I've not been in any of those facilities, but it's my understanding that a few of those do produce through extrusion and therefore have slitting and also have capabilities to put product on a spool and also convert to bows. So I believe in my brain there's at least three producers in the U.S. that are extruding in addition to ourselves, extruding and converting, and then there's another extruder that does not convert but sells bulk product. And then there's another producer that does not extrude but only converts.

MR. CHANG: Okay. Just a couple more questions.

So I think this may have been answered in the presentation, so sorry if I'm kind of being redundant and repeating what's already discussed. But you all also import ribbon from China, and I think profitability was one of the reasons cited as to why this is the case.

Are there any other particular factors that contribute to the decision to import some product from China?

MR MUNYAN: Chris Munyan, Berwick Offray. We have a make versus buy process, and for one, we only will import -- we like to produce domestic. It controls our destiny, it provides work for our employees, it gives us more capacity just to smooth out production.

So the only reason we would actually import is because we can buy the product cheaper. That's the only reason. If we can make it cheaper or we can automate it, we will automate it. And we're constantly trying to figure out how to automate things to resource things that we have sourced overseas.

MR. CHANG: Is there a certain type of product or product mix that you import specifically from China because of those reasons or is it just kind of a catchall sort of operation?

MR MUNYAN: Again, as I mentioned earlier, relating to the single bows that I talked about that we used to produce here and now we buy overseas, that would be one example of what we're buying overseas. But our plans are if we have the right production and there's no dumped products, we can effectively compete in that product.

DR. KAPLAN: We could answer that in confidentiality as it goes to which products are where. But we'd be happy to provide that information.

MR. CHANG: Of course. That would be much appreciated.

MR MUNYAN: Thank you.

MR. CHANG: So I guess the last thing I wanted to ask is it seems to me the two main HTS codes, 3920.20.015 and 3926.40.010, are the most narrow HTS numbers. So would you say that a vast majority of the products would be imported under those two numbers? And for the other like 15 or so numbers, the majority would be out of scope merchandise? Is that a fair characterization?

MR. PICKARD: I think it's correct that the majority of the two narrow HTS numbers capture the majority of subject imports and the other HTS numbers may capture additional subject merchandise.

DR. KAPLAN: Just to add to that, Berwick Offray requested that those numbers be collected. So those were new HS codes that were intended to capture this as they saw, you know, increasing volumes of what they believed were dumped and subsidized imports and increasing activity at the major retailers in the United States.

So yeah, those numbers just didn't pop up out of anywhere. Those were our numbers to try to capture this. I believe we asked for more numbers, and I believe we asked for a quantity measure as well.

We were trying to help you. They said no. So now we have a value number. But that's what it was for.

MR. CHANG: All right. So those are all of the questions I had. Thank you.

MS. HAINES: Thanks.

Mr. Allen?

MR. ALLEN: Good morning. My name is Brian Allen, with the office of general counsel.

I also want to thank the witnesses for coming here today. I did not understand a lot of what was going on just by reading the petition, and I learned first by examining it and then by listening to your presentations, which were very helpful.

Having said that, a couple of my questions to start off are somewhat legal. Mr. Munyan, you had given us examples of companies that, like yours, extrude and produce the finished product, and other U.S. companies that -- or one I think you mentioned that just extrudes, and then others that just produce the finished product.

So in terms of what the Commission is going to need to examine for the definition of the domestic industry, is it your position that all of these companies are considered domestic producers?

MR. PICKARD: Sure. So we could flesh out the analysis more in the brief under the traditional adequacy of domestic production. But I think the answer is actually it depends, right.

So if it's an extruded product, but it doesn't fall within the scope, then obviously it wouldn't under our analysis fall within the domestic like product. Therefore, those producers wouldn't be -- wouldn't be domestic producers under the domestic industry analysis.

In regard to the extent of further manufacturing operations for people who might be just doing finishing operations, we'll be happy to just kind of brief it or run through the traditional factors.

MR. ALLEN: Thank you. And yes, I forgot to preface my questions by saying that I'm -- if anything I ask requires a BPI response, please let me know and then just respond to it in your post-conference submission.

And as you are examining that in your post-conference, please comment on the extent to which the Commission may need to go through a semi-finished product analysis. I think you may have already indicated that it wouldn't, but we would appreciate any analysis you can give on that, as well as the typical sufficient production-related activities of each of the types of producers that we've been discussing here today.

MR. PICKARD: This is Dan Pickard. We will be happy to provide both analyses.

MR. ALLEN: Great, thank you. I would like to go back to the discussion we had of the like product itself.

We have read the exclusions to the scope, and you had stated that the like product would be coextensive with the scope, so the like product would not include those excluded products.

Where is the dividing line between what was included in the scope and what wasn't, and how should the Commission view that in terms of what it would need to examine and define as the like product?

And I know this is a legal question, but to the extent that anyone in the industry might also be able to provide information, please feel free.

MR. PICKARD: Mr. Allen, and maybe because I missed it, could you ask that question again? I'm not sure I exactly followed your question.

MR. ALLEN: The scope includes certain exclusions, and you had indicated that the like product would be cointensive with the scope. So to the extent that the like product would not include those excluded products as well.

I was wondering, where is -- is there a line, or where is the line that excludes those products from a -- that exclude those products from the scope, and therefore would be excluded from like product, and why would the Commission also not choose to include further products within the like product?

MR. PICKARD: Sure. This is Dan Pickard. Sorry, I didn't follow at first. I'll do the broad brush here and obviously we will put it more in our post-conference.

Obviously, for the heart of what's included, that's all one big continuum, that under kind of the traditional analyses as far as common physical characteristics, common end uses, common manufacturing, employees, I think we can carve out some bright lines for the excluded products for why they wouldn't fall under the domestic like products. And then I think probably the easiest way of doing it since we've got a number of excluded products, we can just apply the six-factor test and put that in the brief.

MR. ALLEN: Okay. Great, thank you.

And many of the narrative arguments in the petition focused on the data as well as a portion of the presentation today on the interim periods in particular.

Is that an indication that the Commission should be focusing its analysis on threat in terms of -- or in juxtaposition to what was going on during the full year POI data?

DR. KAPLAN: No. I believe that the full period, particularly since the acquisition, shows a declining trend in the industry. I think you've heard the story of how the marketing has been affected, how the production has been affected, how the financials have been affected from the acquisition of the U.S. company, Hollywood, with a lot of employees in Mexico, and then Berwick Offray picked up that production and then saw that undercut as -- from the time they acquired it moving forward.

So it has occurred with the petitioning company certainly since 2015 and onward. There's evidence that there was competition before then. You see increasing imports through the full years.

We can point to what was going on in the interim period, and we will discuss that as well. We also gave some caveats about the interim period, since this is a seasonal industry and the quarter that's missing is the quarter of the season, as it were.

We do believe we also have a strong threat case, and so I guess maybe we focused on that because it's -- you know, people say, well, you just have an injury case. We wanted to point out we have a threat case too. And we will -- we will brief that thoroughly.

But I think the factors in this case show both, and I think you have some visibility into the future based on the bidding process and based on information you have about future imports that also lend support to the conclusion that the Commission does reach in some investigations, that there is both injury and threat. And we feel that that's the case in this investigation.

MR. ALLEN: Thank you. And to the extent that the Commission will be examining threat, I would like to invite the parties to address in any post-conference brief the other threat factors that weren't specifically addressed in the petition, unused capacity, or substantial increase in the capacity, several of which I know -- I believe at least two of these were mentioned in the presentation this morning, as well as inventories and the potential for product shifting.

MR. PICKARD: We'll be happy to do so.

MR. ALLEN: Thank you. One of the things that I was very glad to learn about today was the fairly continuous nature of the production process from the raw polypropylene all the way to the finished product, that didn't necessarily come through as clearly when I was reading the petition, and I very much appreciate that information.

To the extent that, again, there are -- this is going to be a long question but it's probably going to end up coming back to the attorney.

To the extent that there are U.S. producers that you'll be providing greater explanation for in terms of the one who just extrudes, a company such as your own that extrudes and goes all the way through the formal production process, and then other companies that may just take the large bolts and create their own finished product, we would appreciate it if you could examine or provide some analysis on why the Commission should also consider this all to be one like product instead of multiple like products, such to the extent that ribbons might be different than bows, both in their finishing production processes, as well as --

okay. That's the first part of my question, thank you very much.

The second part was, and I believe Mr. Chang touched on this, are there any other products that are made from the -- I guess you might call it finished extruded ribbon before you put it on an irreversible course with printing and dying and other finishing touches to become either ribbon or bows? Is the film used for any other product that you know of?

MR MUNYAN: Chris Munyan, Berwick Offray. Again, from being here for years, very, very small, I mean tiny percentage of our product ever gets sold into any type of industrial use, and one of the main reasons is our ribbon tears. It tears because it's oriented. So things that are oriented don't have great industrial applications relative to rope or tape or anything like that.

So, you know, we one time years ago sold for a sealing use because it's foam, but that's not even used anymore. So it's extremely minimal. It's really a decorative product.

MR. ALLEN: Okay. Thank you very much. That is -- those were all of my direct questions, but I would like to invite any Respondent who might be sitting in the audience today or might be reading this transcript in the future and prior to the deadline for submitting comments to please indicate in any post-conference submission that you might be considering whether you agree with, and here comes the checklist, the petitioner's definition of the like product and the domestic industry, any beliefs -- any arguments you might have regarding related parties issues that the Commission may need to consider, should you, of course, have access to the necessary data on that, and of course, we would welcome any additional comments on any of the topics that we have raised here today as well.

Thank you very much. I have nothing else.

MS. HAINES: Thank you.

Mr. Abbyad?

MR. ABBYAD: Good morning. My name is Nabil Abbyad. I'm one of the economists working on this investigation, and I want to thank you again for your presentations. It helped clarify a great deal about this industry.

My first question is with regards to end uses for this product. So we know gift wrapping is the primary end use, but we were hoping you could shed some light on some of the other common end uses, in terms of what percentage of demand they account for and whether there's any substitutes for some of these end uses.

MS. PAJIC: Sure, absolutely. My name is Julie Pajic.

As far as end uses, we estimated in the petition that about 70 percent of our product is used for gift wrapping and about 30 percent is utilized for other end uses, such as a balloon string or as a decoration to finish off a floral arrangement or a decoration that would be utilized on a mailbox or a grave site as a commemoration of someone's loss. It's also great for outdoor use, so we do see that used outside of just gift wrapping.

Does that answer your question?

MR. ABBYAD: Yes, thank you. And then the other question, are there substantial differences in how the product is sold by end use in terms of packaging, and are the differences across retailers as well, in terms of how it's sold?

MS. PAJIC: This is Julie again. There are differences in the format in which the product is provided to either a retailer or to an end user. It's the same product, but it potentially could be, as Lee has mentioned, rolled on a larger tube, with a larger amount of ribbon, or a larger count of bows, in a bow bag, because that ribbon could be made into a bow.

Thank you. And Dr. Kaplan is going to bring up some examples.

But for the most part, the ribbon itself is the same. It's just in different formats or different put-ups, depending on the end use, and we're very cognizant of what that end use is, so we try to adapt our ribbon products to provide adequate use to the end user.

MR. ABBYAD: Thank you. In terms of pricing, amongst U.S. producers, how are prices generally set in the industry? Does price differ a great deal by the type, be it bows versus, you know, a keg or egg-shaped configuration, and are there other factors by which price may vary besides configuration or, yeah, other things?

MS. PAJIC: Well, obviously the way we price is confidential, so we wouldn't want to speak about that. But there are differences in the way in which a product is priced and costs so that obviously goes into play when we're -- when we're preparing our products for sale at retail and at wholesale.

MR MUNYAN: Chris Munyan, Berwick Offray. I can expand on that. Similar to what Julie said is that every product we had is built up on an individual level of cost based on all the components, and again we can't talk about where margin targets are, but we're a manufacturer and we have seasonal use of working capital and return on invested capital targets.

But every time is in many ways unique.

DR. KAPLAN: Seth Kaplan, IER. I think there was testimony about different methods for negotiating prices, having to do with the direct negotiations for the seasonal work and sometimes online auctions that are ways that the market determines prices, depending on the -- what I think Julie called the channel, the all-occasion use versus the seasonal use, versus the bulk pullups.

MR. ABBYAD: Thank you. That's very helpful.

In terms of quality, what factors determine the quality of the product, in terms of its durability, other things that might affect that?

MR MUNYAN: Chris Munyan, Berwick Offray. I mean, quality for us, because it's a decorative product, is going to be, I mean, the color. So whether the color is true color, whether the bows look crushed or not crushed, whether the packaging is clean and crisp so the flanges aren't bent, I mean, all things -- those are kind of very consistent across whether it's U.S. produced or Chinese-produced product that would have the same quality standards.

MR. ABBYAD: Thank you. That's all the questions that I have.

MS. HAINES: Thank you.

Ms. Preece?

MS. PREECE: Thank you. This is an interesting product.

Coloring. In textiles, this is not a textile, but in textiles, there's sort of a batch coloring problem, where colors vary between batches. Is there anything like this in this ribbon?

MR. BOY: If you -- we manage the consistency of our inputs to reduce that as much as possible. Within the -- within the range of a consumer product, it's not as big an issue with this product line as it would be with our narrow woven ribbons, where they might be used in apparel from batch to batch. And so compared to batch to batch.

MS. PREECE: Okay. Okay. Can I -- I -- okay. Julia, is it Julia?

MS. PAJIC: Yes, ma'am.

MS. PREECE: You mentioned program sales. What -- do you have any sales where you match the ribbon to a paper or anything like that in these kinds of sales?

MS. PAJIC: This is Julie Pajic. Yes, in our industry, because we do rely heavily on gift wrapping as part of our end use, we do match various colors upon retailer request or upon our own design inputs, based on what's happening in the design aspects of that upcoming season.

So if, for example, red is the hot color for Christmas, we will, indeed, have the right red for Christmas. And I know that sounds -- I'm not trying to be sarcastic, but there are several levels of red. So we will definitely be matching and providing design inputs based on what's happening in the industry and based on our own design people in-house.

MS. PREECE: Would that differ between purchasers? The reason, I remember in tissue paper, that was something that they talked about in some detail, about matching the tissue paper to the bags that they used it in and things like that.

Does that differ between one purchaser and another purchaser? I remember that it was -- Target was especially interested in that issue.

MR MUNYAN: Chris Munyan, Berwick Offray. In most cases, it's standard colors, but -- because we have an extremely broad range of colors that we can produce. But some retailers do ask for a specific color range to match, and we absolutely can customize any color.

DR. KAPLAN: I think what you're -- you know, Seth Kaplan.

You know, there's a fashion element to this, plainly. And once again, both the production process and the marketing aspect was a real eye opener for me.

You know, you think about, you know, ribbons, but boy, I got to really think about ribbons, and it's very, very complicated, and it's very sophisticated. There's design teams and marketing teams doing this.

But the point I wish to emphasize and the record also shows is that the -- is that the imports do the same thing and sell to a lot of the same companies. So despite the fashion element, the fashion element is matched. And so that's why the responses show that factors other than price are never or seldom significant and that the products are interchangeable.

MS. PREECE: Okay. It may be apparent, but my family is very cheap and so we always buy the nonfashion stuff.

But in any case, how much a share of the total purchases would you say is fashion versus -- I mean, even including -- obviously, that includes some of the Christmas, some of the other stuff.

What share would be fashion-oriented or specific to a purchaser or anything like that, just to sort of get an idea of the industry?

MR MUNYAN: Chris Munyan, Berwick Offray.

For the Christmas season, I mean even though we do offer a lot of fashion colors, a substantial, I mean more than 75 percent of the colors are going to be traditional Christmas colors, red, green, gold, silver, blue. And then for all occasion colors throughout the year for birthdays, again, five or six, seven colors, eight colors are going to be the primary birthday colors, yet we're going to offer a myriad of fashion colors.

MS. PREECE: Okay. But you haven't given me an idea of a percent?

MR MUNYAN: We can provide percents in the post-conference brief.

MS. PREECE: That would be great. It doesn't -- I don't want to go into this.

Now, I have in front of me one of your wonderful bags of bows, which you may have noticed me going over to get. And it says "42 count." It does not say quantity in any other way.

Now, these bows are very homogenous, I think. That is to say, I think that there's probably the same yardage in each bow. So I'd like for the pricing product, I think there is -- there should be a really easy conversion from the pricing product to the bows. And if there's not, if we can get that for the final, if we go to a final, I would like it. I mean, I would like to have a product that we can -- even if they get it and it says 42 count, you know, they can convert.

So can you -- can we have something to convert these bows or the bows that are in the pricing product to a yardage?

MR. MUNYAN: Chris Munyan, Berwick Offray. I know that bag, and I agree that that specific bag looks very homogenous because it has the same size bows in it. But the reality is we have many, many different bag configurations with different sized bows and also bags that have multiple size bows, and also multiple size bows with high variations in substrate.

So I wish I could have a conversion factor that could work across the product.

MS. PREECE: No, I'm not interested in that. I'm interested in for the pricing product, I'd like to have something that is homogenous like this. If we're going to do a pricing product for the final, we need a product that's homogenous like this, so that you can actually do a conversion, so that people can give us a price.

DR. KAPLAN: We'll look into that and see if it also meets the standard that I'm sure you're interested in, which is the coverage.

MS. PREECE: I'm not interested in coverage. No, no, if you -- no, no. If you give us a product that we cannot get a quantity on, we have no coverage. So if we get 2 percent coverage and we still get a quantity and a value, we have much better coverage than if we get a product that nobody can give us data on.

So coverage is not the important thing. The important thing is to find a product that actually we can get data on.

DR. KAPLAN: Okay. We will look carefully, especially given your caveat that coverage is not important.

MS. PREECE: Well, it's not "not important." It's that measuring it is essential and coverage is secondary.

DR. KAPLAN: We'll take your charge and do the best we can.

MS. PREECE: Thank you. Thank you very much. I'm not trying to be negative about this. This is just, for me, it's useless to have something where we can't get the data and it does seem like we're having problems with that data. And so for the pricing product, we want a narrow enough product that we can get a price.

Is there any difference in sales on the Internet from storefront sales that you've noticed? Is there -- does that -- do these two markets differ in any way? This is sort of trying to look at your market. I'm not going to go anywhere with it. It's just trying to get a background.

MR MUNYAN: Chris Munyan, Berwick Offray.

I mean really the change I would say in the last few years is the proliferation of items configurations that are showing up on direct retail Web sites and the number of listings and the number of suppliers that are out there. So that is continuing to proliferate. And some of the configurations are different than what we would see at a retail store.

MS. PREECE: So configurations meaning like the shape of the bows?

MR MUNYAN: Multiple packs. I mean, there is a -- if you can think of a configuration, it's available on some type of online site.

MS. PREECE: Yeah, yeah. Well, that seems to be a thing you can do with the Web that doesn't make sense with a physical location, because you just have a limit on your physical location.

DR. KAPLAN: I think there's another distinction as well, in that you have, you know, the major retail stores having in-store sales but also selling on the Internet.

What we've seen a huge proliferation of is the number of Chinese Internet sites that are unrelated to a U.S. brick and mortar retailer or even a well-known online retailer.

As was discussed earlier, you know, go to Alibaba and click in "ribbons," and how many --

MR MUNYAN: 60,000 listings.

DR. KAPLAN: 60,000 listings. Now, that doesn't mean there's 60,000 producers, but that means there's someone out there, 60,000 of them that if you say if you want it, they will find it and send it to you, and they have a price attached to it. And that was just Chinese producers. They have a price attached to it, and that price is often inexplicably low, in the sense of we know how much it costs to make this, and they got to get it over here. And it's just -- it just doesn't seem to relate to the cost formulas that from the inventors of the industry that use an internationally traded input as the key input to the production process.

So to the extent that your question relates to Internet, there's kind of two parts, the brick and mortar Internet sales versus in-store sales, but then the increased proliferation of low-priced offers.

And that -- that has two effects. It offers another source of supply, but it also affects the pricing of the great American retail stores that look on the Internet for their product and see what other people are doing, and then they see those prices. And that puts extraordinary pressure on the U.S. producer of this company because they want to serve their customers and are facing dumped imports not only as offered to carry in their store, not only offered to their competitor's store, but offered directly to the customers that they are serving every day. And now they are under this stress, and they put us under this stress.

So the Internet has a really important role to play through this price discovery mechanism, and how it affects competition and how it injures the domestic industry through that channel of distribution that is so visible, you know.

I mean, when we were growing up, like, you know, your parents might have shopped at like multiple stores, but there were only two or three they could go to and they probably look at how much gas it was and decided not to go to the other place.

Now you click a button, 60,000. So you could see how price sensitive customers are very affected and how it works its way through the distribution chain and through the retail sector in the United States, and how it affects the domestic producers. Thank you.

MS. PREECE: Another question. Polypropylene pellets. You say they are distributed internationally. Is there a price data out there on this product or is this something that -- I mean, if we can have it, we'd like to have it. If it's not available, it's not important. But, you know, it's something that we like to put in the reports. So I would like to ask you if it's available, to provide it to us in the brief. Polypropylene.

MR. BOY: For the U.S. market, there are indexes that we look at. I don't remember the name right now but we can answer that later.

Globally we have to get quotes.

MS. PREECE: Okay, that's great. Any published will be very useful and you can provide that.

MR. BOY: Thank you.

MS. PREECE: Then if it's public or not, I don't care. However it's available.

Well, it looks like that's the end of my -- oh -- yeah, that's the end of my questions. Thank you very much. It was very helpful, and I am looking forward to seeing the briefs.

MS. HAINES: Ms. Catalano.

MS. CATALANO: Good morning. Mr. Boy, I really appreciated your presentation. I loved your process map and your pictures, they really did help. I am the industry analyst trained in chemistry, so some of my questions will be directed in that nature.

The first question I want to ask about is the HTS numbers. So the number 3920.20.0015 and 3926.40.0010.

So the first of those HTS numbers are for polypropylene, which are the ribbons. The second HTS number is in the end of the plastics HTS, and those can be nonpolypropylene. So those can be polyethylene, polyethene terephthalate, polyvinyl chloride or whatnot.

And I'm wondering for this investigation, are all of the products that are from your questionnaires or from your data, are those in the 3926HTS, are those polypropylene or are they also other polymers?

MR. BOY: So referring back to the presentation, the specific slide where I showed the hot stamp that was being done on a clear product that is not polypropylene, I believe PET. So that -- that one happens to be. But other substrate --

MS. CATALANO: Did you say ethylene?

MR. BOY: I'm sorry. It's a polyester, but PET is most commonly in bottles.

MS. CATALANO: Yes.

MR. BOY: But it's in the polyester family. But we've used -- we've used other substrates as well. We could list those afterwards. So in terms of proportions I can't answer, but in terms of is everything polypropylene, no.

MS. CATALANO: Okay. And what percentage -- I guess you couldn't really quantify that, you just said that.

MR. BOY: Right. But we could go back and do that probably.

MS. CATALANO: Do you want to give a stab at it? The majority would you say is probably polypropylene?

MR. BOY: Of our products, the majority would be polypropylene.

MS. CATALANO: Okay. And from the presentation it was all about polypropylene. In your factory in Berwick, Pennsylvania, do you extrude or melt down any other polymer other than polypropylene?

MR. BOY: We do.

MS. CATALANO: What are those polymers?

MR. BOY: I would prefer to answer that --

MS. CATALANO: Sure. That is no problem. I will wait for the secret answer in the post-hearing brief.

And then what I want to ask you is your perception of what's going on in China. When you look at their ribbon and their bows, can you tell or have you done any chemical analysis to know what type of polymer they are producing and is it a cheaper one.

So when you look at the bows from China, would you say the ones coming in are polypropylene or polyester or some other polymer? What do you think the majority of those are? Is it a similar market over in China and over here in the United States?

MR MUNYAN: Chris Munyan, Berwick Offray. I've been to factories oversees and I've been in the industry a long time. What I have mostly seen coming from China are products that are primarily extruded polypropylene and other resins which may be similar resins to what we use within our extrusion blends, but also have combinations of laminated films which may be polyester, unsupported polyester films, metallized. Or I've also seen PVC. So you will see metallized PVC, similar things that we've also used over the years. So I would say there's strong comparisons.

MS. CATALANO: So you would say they are similar.

MR MUNYAN: Very similar.

MS. CATALANO: That would be a fair observation.

MR MUNYAN: That's correct.

MS. CATALANO: I was actually on the 484F committee for your company when it came in, so I read a lot about ribbons and bows.

So this bag here -- the bag itself is plastic. What is it made of? Is it polypropylene?

MR MUNYAN: Chris Munyan, Berwick Offray.

That specific bag is polypropylene. We also can produce bags that are made of polyethylene or high clarity polypropylene, there are different variations in bags.

MS. CATALANO: Does that change the cost?

MR MUNYAN: It can change the cost absolutely.

MS. CATALANO: So if you're making a decision about how you want to produce a bag, would you say that the cost of either polymer will help you determine what you want to make the bag out of?

MR MUNYAN: The polymers have different features. For example, polypropylene bags are clear, polyethylene bags are cloudier. We tend to use for that specific bag the same kind of standard polypropylene film that is, you know, performs as it should perform and provides the proper clarity. But if a customer was to specify higher clarity or thicker material, we could also do that.

MS. CATALANO: Is that something that you have requests for usually?

MR MUNYAN: We have had requests over the years, but we try to as much as possible provide our standard bag, because it's what we can produce most effectively to compete against dumped Chinese imports.

MS. CATALANO: Okay. From the presentation from Mr. Boy, I also heard that there are other components in this process which would include aluminum for some of your metallized products or even adhesives. And I'm wondering what you think about your products compared to the Chinese market.

Would you say the adhesives and the metallized products are about the same, or are they very different? What is your perception?

MR MUNYAN: Chris Munyan, Berwick Offray. I think adhesives are only used in the bow tabs. Our adhesives are water-based adhesives, just because they are better for the environment. My belief would be -- but I do not have evidence of this, that adhesives are likely solvent-based adhesives.

MS. CATALANO: What type?

MR MUNYAN: Solvent-based adhesives versus water-based. But in terms of the metallized film, I've seen vacuum metallizers in Chinese ribbon factories over the years that look very similar to vacuum metallizers that we use to provide the metallic finish.

MS. CATALANO: Okay. So it would be a fair statement to say that they're similar?

MR MUNYAN: That's correct, they would be similar.

MS. CATALANO: Okay. I like to clarify sometimes for the record because it makes it easier for people to read the transcripts later.

My next question is -- has to do with the machines and the processes used in the manufacturing. I heard from the presentation that your company has made a lot of investment into new machines or new processes. And I'm wondering what your perception is of your machines and processes versus what is going on in China.

Would you say that your machines make your product more costly? Are they similar?

DR. KAPLAN: First, a general comment, which is that, once again, the perception in the market of the products is that the products are very similar. The second comment is the -- on the cost of production of the Chinese material, if this investigation moves forward, I believe you will have access to the Commerce Department who will be doing a thorough analysis of the cost of production in China. And so from a consumer aspect, these products are interchangeable. From a production cost prospect, the domestic industry is the founder of this process, extremely efficient and have been working extremely hard to lower costs.

Nonetheless, they are getting undersold.

With respect to the exact machinery over there, there will be an investigation by the Commerce Department, people have walked through at various times, but we believe there are many small producers there, and so it is -- it is not like a steel case where everybody walks through the steel factories, or a chemical case where there's, you know, three major or four major producers of some product and everybody is very familiar and there's these extraordinary capital investments for this continuous process of chemicals.

So I appreciate and see where you're going with these questions. We've talked about this internally. But we'll answer them now and later to the best of our understanding, but we have less information than you would for a -- you know, a major chemical manufacturing, a major steel manufacturer in this regard.

MS. CATALANO: Sure. I understand, thank you.

DR. KAPLAN: Thank you.

MS. CATALANO: In terms of the polypropylene, do you perceive that in China, that they could be using any kind of impurities in the product that would make it cheaper? I understand that that may be hard to answer.

MR. MUNYAN: Chris Munyan, Berwick Offray. We really don't know whether they are doing that or not.

MS. CATALANO: Okay. That's okay. My next question has to do, I heard that there were intellectual property investments from the company. And could you expand upon that and talk about maybe what some of those patents could be or what they are? Do you expand upon that?

MR MUNYAN: Chris Munyan, Berwick Offray. Our intellectual property really comes down to, for the most part, trade secrets of equipment that we've developed over the years which are confidential and proprietary. But we really don't have many active patents any longer. Over the many years there have been patents relating to configurations of bows, but I'm really not aware of any that are even active at this point.

MS. CATALANO: Okay. Thank you. That's all of my questions.

MS. HAINES: Okay. I think that completes Staff's questions. Thank you very much.

Do you have a closing statement that you would like to make?

CLOSING STATEMENT OF DANIEL PICKARD

MR. PICKARD: I have something very quickly, if I could. I don't think there's any need to use up all of our remaining time.

So I would like to start off by saying that we're mindful of two things. One, in regard to why this will be a short closing statement is we're mindful of the workload that the Commission Staff has right now, so we are particularly appreciative of your time and attention to this case, especially when the Commission is at a record workload for ADC VD work.

Secondly, we're also very mindful that when it comes to new cases, how complicated the factual pattern can be, and want to reinforce that we will help to the best of our ability as far as resolving the factual and legal questions that the Staff have.

So that being said, maybe to just kind of sum up kind of the key parts. I would certainly echo the comments of Dr. Kaplan that just the absolute volume of imports here is significant. Even if there was no increase, just absolutely and by the share that they hold by any kind of commercial or legal sense, they would have to be deemed significant.

But more than that, and going perhaps to start off with one of Mr. Allen's questions in regard to the use of the HTS data in the petitions, obviously when we're drafting petitions, we use the best information that's reasonably available to us. So we used the HTS numbers, which not surprisingly, our position is regardless if you're looking at the questionnaire data or if you're looking at the HTS data, you see large imports and you see increasing imports. The HTS data certainly share the surge over the interim period. The questionnaire data show a significant increase absolutely relative to production, and relative to consumption over the period of investigation.

Similarly, the data clearly shows a deterioration in the health of the domestic industry at the time that this surge is going on. And again, not to be overly redundant, we see this throughout the trade data, we see it throughout the financial data and we see it throughout the employment data.

So this is as much, if not more, of a current material injury case, but there is certainly overwhelming evidence of threat as well. And the last thing that I would just note is obviously all of the facts in the record and the testimony that have been entered today are uncontradicted by any testimony and by anyone in opposition of this case. And in all ITC investigations, especially at the preliminary phase, I think that's an important factor for the Commission's analysis.

So with that, happy to conclude and thank you again for all of your hard work on this case.

MS. HAINES: Thank you.

On behalf of the Commission and the Staff, I'd like to thank the witnesses who came here today, as well as counsel for helping us gain a better understanding of the product and the conditions, the competition and the plastic decorative ribbon industry.

Before concluding, please let me mention a few dates to keep in mind. The deadline for submission of corrections to the transcript and for submission of post-conference briefs is Monday, January 22nd. If briefs contain business proprietary information, a public version is due on Tuesday, January 23rd.

The Commission has tentatively scheduled its vote on these investigations for Friday, February 9th, and it will report its determinations to the Secretary of the

Department of Commerce on Monday, February 12th.

The Commission's opinions will be issued on Tuesday, February 20th. Thank you all for coming. The conference is adjourned.

(Whereupon, at 11:26 a.m., the hearing was concluded.)

CERTIFICATE OF REPORTER

TITLE: In The Matter Of: Plastic Decorative Ribbon from China

INVESTIGATION NOS: 701-TA-592 and 731-TA-1400 (Preliminary)
HEARING DATE: 01-17-18
LOCATION: Washington, DC
NATURE OF HEARING: Conference

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: 01-17-2018

SIGNED: Mark A. Jagan
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