

From: [Jim Sartori](#)
To: [Boyland, David](#)
Cc: [Schagrin Associates](#)
Subject: U.S. ITC Investigations (Third Review): Inv. Nos: 701-TA-350 and 731-TA-616 and 618 (Corrosion-Resistant Carbon Steel Flat Products from Germany and Korea)
Date: Wednesday, August 29, 2012 4:51:57 PM
Attachments: [SDI2.doc](#)

As requested, our responses to your question.

Thank you

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Controller
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BUSINESS PROPRIETARY INFORMATION

Corrosion-Resistant Carbon Steel Flat Products from Germany and Korea

U.S. ITC Investigations (Third Review): Inv. No's: 701-TA-350 and 731-TA-616 and 618

Subject: August 14, 2012 U.S. producer questionnaire response of Steel Dynamics, Inc.

Sent to: Jim Sartori, Controller, The Techs, at jsartori@thetechs.com

CC: Roger Schagrin, Attorney, Schagrin Associates at schagrin@erols.com

Below are listed several questions regarding the company's U.S. producer questionnaire response submitted in these investigations. Please provide your response by September 7, 2012. If a response can be submitted prior to that time, it would be appreciated.

Question III-6 and schedule III-7. The company reported inputs purchased from related parties used in the production of corrosion-resistant steel as follows: hot rolled and cold rolled steel (Flat Rolled Division of SDI).

Question III-8. The company **confirmed** that it eliminated all relevant intercompany profit from costs reported in table III-10. Please specify the steps taken to eliminate all relevant intercompany profit from costs reported in table III-10 and specify the amounts actually eliminated in each period.

We analyzed the margin per ton that the Flat Rolled Division (FRD) makes on their sales of uncoated product. This is raw material that The Tech's purchases from FRD. We then multiplied the margin by the tons purchased from FRD. This amount was then used to reduce our cost of goods sold.

2007 \$426,407

2008 \$891,770

2009 \$1,802,198

2010 \$939,924

2011 \$2,999,753

6 months 2011 \$3,608,131

6 months 2012 \$732,800

The reason that half of 2011 is greater than the entire year 2011 is that the margins were significantly higher in early 2011 than the average was for the entire year.

Thank you for your attention to this matter. If any of the issues I have raised require clarification, please do not hesitate to contact me.

David R Boyland, CPA

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