

actual manufacture that melts steel down. And...but you have sulphur...

SENATOR BEUTLER: And the electrode becomes...

SENATOR SCHELLPEPER: ...you have slag. I think I...

SENATOR BEUTLER: And the electrode...

SENATOR SCHELLPEPER: ...I think I have a list if I can find it.

SENATOR BEUTLER: What is a mill roll? Maybe that's better to...easier to understand.

SENATOR SCHELLPEPER: Okay, mill rolls are wheels through which hot steel is rolled to reduce its diameter. Billet guides keep the hot steel aligned to go through the mill rolls.

SENATOR BEUTLER: Well, are the mill rolls an item of equipment?

SENATOR SCHELLPEPER: Mill rolls and guides are purchased both for their use in the process and for their use as ingredients in steel products sold to the consumers. It's really hard to explain how this actually...the actual process that they do, Senator. You should really go up and take a look, you would just be amazed at what...how everything that goes in is actually made into steel.

SENATOR BEUTLER: What is a guide then?

SENATOR SCHELLPEPER: Trying to find if they gave me what a guide is. The rolls and the guides wear down quickly and then are used as ingredients in the steel-making process.

SENATOR BEUTLER: You mean these are things that are destroyed in the process?

SENATOR SCHELLPEPER: No, they're made part of the actual steel. Everything that we're talking about is actually part of the finished product. That's why we think it's double taxation. You're paying for it as an ingredient and you're paying for it as a finished product.

SENATOR BEUTLER: Okay, thank you.