EXHIBIT 1
March 9, 2020

U.S. President Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Trump:

As County Commissioners for Butler County, Pennsylvania, we write to respectfully implore you to take action on the request by Cleveland-Cliffs Inc. CEO Lourenco Goncalves to close the loophole in the “Section 232” steel tariffs to protect electrical steel laminations and cores. We join voices with Mr. Goncalves, AK Steel management and the members of UAW Local 3303 in making this request. The plant, formerly known as Armco Steel, was founded in Butler County in 1933 and has long been the economic force for our County. The AK Steel Butler Works, along with the AK Steel plant in Zanesville, Ohio, are the last two producers of grain-oriented electrical steel laminations and cores in the United States – actually, the last in all of North America.

Further challenging the scenario is the request by neighboring Allegheny Technologies Inc. for exemptions from the tariffs. AK Steel could supply ATI with the specialty slabs it needs, so we would encourage the administration and our local Congressional delegation to broker a deal that would help both AK Steel and ATI prosper for our entire Southwest PA region.

We would like to put the potential loss into perspective. The AK Steel plant in Butler County generates nearly $110 million in payroll annually, the highest employee payroll of any company in Butler County, including Westinghouse Electric Company when it was at full operation generating $70 million. The third largest annual payroll comes from the federal government at OPM in the Iron Mountain installation at approximately $37 million.

Clearly, the loss of this plant would be devastating to the Butler County economy. Wage losses will immediately affect countless car dealers, retailers, and other service providers. Butler Health System, one of the last successful locally based health systems providing both standard and specialty healthcare services to the employees and their families would be severely impacted.
In addition to affecting 1,500 employees and their families, the loss to AK Steel suppliers—including multiple trucking companies, scrap and alloy suppliers, refractories and companies like Air Products, located next to the plant, that supply argon, oxygen, nitrogen and more—would be significant. The plant is served daily by the B&LE and BP short line railroads, making connections to the CSXT, Norfolk Southern and CN main lines. The international markets are served via truck shipments to the east coast with vessels loaded at the ports of Chesapeake and Eddystone. The plant uses $750,000 per month in electricity when operating at capacity. Countless building trade contractors and union workers are in the plant daily, including the Electrical Workers, Ironworkers, Pipeliners, Carpenters, Bricklayers and more. The plant's weekly stock of safety supplies comes from a Philadelphia-based company.

Finally, the plant generates $236,195 in property tax that sustains the local school district and additional tens of thousands that support local municipalities in an already constrained revenue environment. AK Steel Foundation has made generous contributions to the Commonwealth's Number One Community College for the last five years, Butler County Community College, along with contributions to many other local charitable and civic organizations.

We have celebrated so many economic wins in business growth, infrastructure investments, our regional airport, education, health care and more in our County in the last several years. Butler County is one of the fastest growing counties in Pennsylvania, and the one with most new housing starts in the Commonwealth, but much of that would be lost with the closure of the AK Steel Butler Works.

We stand ready to assist AK Steel, Cleveland Cliffs, your Administration and our Congressional delegation in whatever manner you need us. Thank you for your service and your attention to this critical issue for our County and its citizens.

Sincerely,

BUTLER COUNTY BOARD OF COMMISSIONERS

Leslie A. Osche  
Chairman

Kimberly D. Geyer  
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Kevin E. Boozel, M.S.  
Secretary

BOC/mm

CC:

U.S. Secretary of Commerce Wilbur Ross
U.S. Senator Pat Toomey
U.S. Senator Robert P. Casey, Jr.
U.S. Representative Mike Kelly
U.S. Representative Glenn Thompson
U.S. Representative Conor Lamb
PA Governor Thomas Wolf
PA DCED Secretary Dennis Davin
Mr. Lourenco Goncalves, Cleveland-Cliffs CEO
Mr. Roger Newport, AK Steel CEO
Mr. Aaron Steinhaiser, AK Steel General Manager
Mr. Jim Panei, UAW Local 3303 President
EXHIBIT 2
Transcript of Interview of Witness One

Review No. 21-9221
May 20, 2021
OFFICE OF CONGRESSIONAL ETHICS

AUDIO TRANSCRIPTION OF RECORDED INTERVIEW

OF

WITNESS 1

Conducted Virtually

Washington, DC

May 20, 2021

3:08 p.m. (Eastern Standard Time)

Job No. 375423

Pages: 1-70

Transcribed by: Annette M. Montalvo, RDR, CRR

Court Reporter: Martin Onuegbu
APPEARANCES:

ON BEHALF OF THE OFFICE OF CONGRESSIONAL ETHICS:
Jeff Brown, Esq.
Omar Ashmawy, Esq.
Annie Cho
(appeared via video teleconference)

ALSO PRESENT:
Saul Gan, Planet Depo Zoom Technician
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(Exhibits 9-11 omitted)
(Exhibits retained by Attorney Brown)
(Proceedings commenced at 3:08 p.m., via Zoom videoconference, and the following was transcribed from an audio recording, to wit:)

MR. BROWN: Let's go on the record.

WITNESS 1,
called as a witness herein by the Office of Congressional Ethics, was questioned and testified as follows:

QUESTIONING BY MR. BROWN:

Q  All right. This is Jeff Brown with the Office of Congressional Ethics. With me are my colleagues Omar Ashmawy and Annie Cho. Before us is Witness 1, director of communications with Representative Kelly's office.

We are doing a remote video interview. It is May 20, 2021, just after 3:00 p.m. Witness 1's been given a copy of the false statements warning. And, with that, we'll get started.

Witness 1, thank you again for taking some time to sit down with us today and chat. What I primarily want to do here today is walk through a timeline of events. First part of that timeline I
want to talk about is events leading up to the May 4, 2021 announcement by the Department of Commerce of the Section 232 investigation.

But before we get there, I'll back up a little bit and just ask you, so when are you and folks in Representative Kelly's office first alerted to the fact that the Butler works plant, the AK Steel plant in Butler, Pennsylvania, may be shutting down, maybe laying off employees?

A  When I found out about that is what you see in the text message here from April 28, when Troy Balderson's office reached out to me. That's when I found out about that.

Q  Okay.

A  So I don't know if that -- about anybody else, but that's when I was made aware of it.

Q  And you're made aware of it through Balderson's communications director?

A  As far as I recall, that's correct, yes.

Q  Okay. So it's not something you are communicating with to Witness 2 or to Matt or anybody else in your office before the --
A  To the best of my knowledge, no. I mean, I went through all my stuff and looked, and so to the best of my knowledge, that's correct.

Q  Yeah, I should just -- I should have said this earlier. You know, again, I am just asking you these questions to the best of your recollection. I know sometimes it can be a little hazy and stuff. So to the best --

A  It's been a year, so.

Q  I understand. And I do appreciate it looks like you pretty carefully went back through your materials. And so that really definitely helped us piece together a timeline, which was helpful.

Okay. So then with respect to the initiation of a Section 232 review and the potential closure of the AK Steel plant, how big of an issue is this for Representative Kelly for the office?

A  It's a huge issue. I mean, this company is an incredibly important part of the Butler community. As you know from looking at the documents, it's got 1,400 jobs. There's -- you know, Butler's not a very big town, and it is
something that our office has been engaged in for quite some time. And so that plant shutting down would have massive implications not just for the community but also for our country's national security. I mean, AK Steel is the last producer of electrical steel in the country and so, you know, from a policy perspective, it's critical that we keep it because the electrical steel is a key component of the electric grid. And if that plant shuts down and we rely on other countries for that component of the grid, is my understanding of the issue.

Q How big of a deal is this to Representative Kelly himself?
A I mean --
Q Let me ask that a different way.
A Okay.
Q How involved is Representative Kelly? Is this sort of one of the most pressing issues of the day for the congressional office and for the Congressman?
A Yeah. It's a -- I mean, it was certainly
then and was throughout last year. And I don't know how much has been done on it this year, but, yeah, I mean, it's a pretty big issue for us, yeah.

Q And so to the extent that there are, you know, updates or, you know, you guys are getting information about -- from Commerce or from other offices, like this is something that Representative Kelly knows about or wants to know about? It is one of the more important things going on in the office at the time?

A Yeah. Yeah.

Q How about for Cleveland Cliffs and AK Steel, how big of an issue is, you know, the potential closure of these plants and the ability to secure 232 tariff reliefs for the electrical steel?

A So I'm a little less familiar with that. I know that Cleveland Cliffs is a large company, I think. And they bought, I believe, bought AK Steel a year or longer ago.

I don't know exactly how important AK Steel is to Cleveland Cliff's business model. Obviously, it's a part of their business, but I don't know
exactly how it would affect them if it was shut down.

Q  It looks to me like you had some interactions with Witness 5 and Witness 4, who I understand are two lobbyists with Cleveland Cliffs and AK Steel.

Did you get a sense from your interactions with them how important this issue was to them?

A  I am trying to think back to -- I mean, I'm sure I was on a call or two with them and the other staffers. I mean, obviously, they were engaged in it and it was important to them. But, you know, I can't say for sure exactly how important.

Q  Okay.

A  Yeah.

Q  Well, when you find out that the plant may close, sounds like April 28 is when you kind of get pulled into this, and that Cleveland Cliffs is, you know, looking for the government to intervene in order to prevent the layoffs and prevent the plant from being closed, what's the plan of attack? What's the game plan in Representative Kelly's
office for trying to address these issues for, you
know, to assist Cleveland Cliffs and also to, you
know, present any potential layoffs?

A So as far as the office's plan and what we
would do in that situation, that would be something
that our chief of staff and Witness 2 would work
with Commerce and the company on. Generally
speaking, I'm usually pulled in when we are about to
announce something publicly.

Q Okay.

A And so, you know, Witness 2 was the one, I
believe, that was dealing mostly with Cleveland
Cliffs, I don't -- and probably Commerce. I don't
know to what extent Matt was involved with those
things, our chief of staff.

But, yeah, I mean, I don't think I ever had
any direct communication with Commerce, and then I
just had some direct communication with Cleveland
Cliffs, usually on technical stuff for public
statements.

Q Okay.

A So.
Q  When are you first alerted that the Department of Commerce is intending to initiate the Section 232 review?

A  So, I mean, I guess it depends on what you mean is intending to do it. In those text messages there's some back and forth about, you know, that they're potentially going to do it. And so, obviously, I learned about it during those messages. I think that was on -- when was that. Sorry. I'm going to look back at the dates here. Have the documents pulled up in front here.

I guess it would have been the 28th as well, right? Let me see here. I want to make sure that I'm correct in answering you.

Yeah. I believe that's the 28th, and, you know, you can see we go back and forth about, okay, we're hearing they're going to do it, but, you know, until they release it publicly, like, we're not, you know, certain they're going to do it. So it would have been around that time, you know.

Q  Okay. Well, let's -- I think it might be helpful -- again, I really appreciate it, all the
documents you sent and how you labeled them. It was very easy to follow. There are some documents I want to put up, ask you a couple questions on.

A  Sure.

MR. BROWN: So, with that, Saul, can you do me a favor and can you put up Document 1.

(Document 1, text message, marked for identification and retained by Attorney Brown.)

Q  It's always a little easier to look at and talk about them with reference to documents. But I did kind of want to get your impressions of things generally before I showed you all the documents.

All right. So this is the first document, Witness 1. It's a document that you sent to us. It's a text message that --

A  Yeah.

Q  -- you have at 2:40 p.m. on April 28, 2020, with Matt. I take it that's chief of staff, Matt Stroia?

A  Yes, correct. Yes.

Q  And he says, on the phone, can I call you back.
Just curious, what proceeds that, this text?

Did you call him?

A  I think I tried to call him, yeah.

Q  Okay.

A  I must have tried to call him, yeah.

Q  Okay. And you say, yeah, just got an e-mail from Balderson's CD. I take it that's the communications director?

A  Yes. It is, correct.

Q  About a statement on AK Steel plant closure announcement tomorrow. I thought that wasn't happening yet.

Why -- walk me through that. Why didn't you think that was happening yet?

A  You know, that's funny. I don't -- so I don't really recall why I said that. I mean, it is possible that there was talk about it before, but I didn't find anything about that -- about the issue before April 28 in my texts.

So I'm not a hundred percent sure. I know that there had been talk at -- I think there had been various points where there was talk about the
plant potentially shutting down because, I mean, that's why we were working on the issue.

So I don't -- I don't know exactly why I said that. I don't know.

Q Okay. Did he end up calling you back?
A I don't know. I don't recall. I just don't.

Q Let me -- let's go to Document 2.

MR. BROWN: Saul, if you can go to Document 2.

(Document 2, e-mail, marked for identification and retained by Attorney Brown.)

Q So just to remind you, Document 1 there that we were looking at, that was a 2:40 p.m. text message with Matt?
A Right.

Q This is a 2:52 p.m. e-mail, on April 28, from Witness 2 to both you and Matt?
A Right.

Q Call back in on this number.

MR. BROWN: And, Saul, if you could scroll down a little bit.
Q She seems to be referring to --

MR. BROWN: Sorry, go up, Saul. Yes. Stop right there.

Q She seems to be referring to a dial-in that Witness 5 had provided to her and Witness 4.

A Right.

Q What can you tell me about this document, and, you know, any phone call you joined as a result of this document?

A Well --

MR. BROWN: Actually, Saul, can you give me control of this document.

A Would you like me to answer or are you --

Q Yes. Sure.

A Okay.

Q Go ahead, Witness 1.

A So, yeah, I was racking my brain when I saw this one. I am assuming that that call was probably about the potential closure. I don't know for sure, again, because I don't have recordings of any phone conversations, so I don't really know exactly, and it's been a year. But I would imagine that's what
we were talking about. But it's just been speculation.

Q Let me just read for you real quick. I've got a call summary provided to me by Cleveland Cliffs.

A Okay.

Q And see if it helps jog your memory a little bit.

A Sure.

Q It says, this is a phone call between Witness 4, Witness 5, and Witness 2, in which Witness 5 and Witness 4 provided notification of the Department of Commerce's intent to initiate a Section 232 investigation covering transformer, laminations and cores.

A Uh-huh.

Q Does that sound like what would have been discussed on this call?

A Well, I mean, if that's what the readout is, then that's what I would imagine. I don't recall being on it, but that's possible, yeah.

Q So what this call summary suggests is that
Witness 2, Witness 4, and Witness 5 are on a call together?

A  Okay.

Q  Do you remember being on a call with the three of them?

A  No. I do not.

Q  Okay. How do you first learn then on this day, you think, that the Commerce department intends to initiate a Section 232 review? Do you remember ever hearing that from Witness 5 and Witness 4?

A  I do not remember hearing it directly from them, but when I look back through my messages, I'm guessing that the text message from Balderson's communications director saying, oh, they're going to work it out, might be the first that I learned about it.

Q  Okay. And so I think you are probably referring to --

MR. BROWN:  Saul, can we go to Document 3.

A  And, again, this is just to the best of my recollection. I am not sure exactly.

(Document 3, text message, marked for Transcript of Virtual Interview - Witness One Conducted on May 20, 2021)
identification and retained by Attorney Brown.)

Q I think Document 3 should be the text message that you're referring to.

A Document 3?

Q Yeah. Give Saul a second here.

MR. BROWN: Saul, can you pull up Document 3. There we go.

A Yeah.

MR. BROWN: And if you can zoom out a little bit, Saul, or if you want to give me control, I can take over.

Q All right. Document 3 here is a text message from Erin, EC. I believe, is that Erin Collins?

A Correct. Yes.

Q Okay. And that's at 3:51 p.m. on April 28, 2020.

First part of the text message says, hey, Witness 1, Erin Collins again. My LA called me right after we spoke. Apparently, Wilbur Ross is going to make the necessary fix.

The "LA" that she's referring to, do you
know who that is?

A I do not.

Q Does Nate Zimpher, does that sound like that is who it could be?

A I do not recall that name.

Q Okay.

A I don't know if I've ever interacted with that person.

Q Okay. You said, I think a couple, you know, minutes ago, that you don't have a lot of recollection about that, like 2:45 or 2:50 conference call, Document 3 that we looked at --

A Yeah.

Q -- and, you know, your first understanding of what was going on may have happened in maybe response to -- is this the text that you were referring to?

A Yes. Yeah.

Q Walk me through this text. What do you -- what do you see in that first text message?

A So Erin e-mailed me, from what I remember, earlier in the day, asking to do maybe a joint
statement, right. Because I have that e-mail in
here. So she wants to talk about it. So she and I
may have talked on the phone after that to kind of
go through like, oh, this is what's happening, like
they might be talking about shutting down the plant,
letting workers know that they are laying people off
the next day.

And then I don't know exactly where we left
that, but then she texts me this and says, oh, right
after we spoke, my LA says that Commerce is going to
fix it or -- maybe fix it. Yeah.

Q What do understand that to mean? The text
says, apparently Wilbur Ross is going to make the
necessary fix.

What do you understand her to be saying
there when she says makes the necessary fix?

A I mean, I would imagine the investigation or
the -- yeah, the 232 investigation or something
along those lines that convinces the company not to
go ahead with layoffs.

Q Okay.

A So.
Q So, in other words, Wilbur Ross is -- he's going to initiate the Section 232 review?

A Potentially. I don't know if he means that or something else, but come up with a deal, I don't know exactly what that meant, but I know that we were pushing for a 232 investigation, so I assume that's what --

Q Okay.

A Yeah.

Q So given your understanding of what the efforts were from the Kelly office, and I know several other offices, the make the necessary fix and come up with a deal, probably relates to initiation of a Section 232 review?

A I would imagine so, yeah.

Q Okay. Do you recall after you get this message, what do you do with it? Do you call Erin?

A Honestly, I -- honestly, I do not recall what I did after that. No. I was looking through these texts, and it looks like I had texted Witness 2 and -- I text Witness 2 and Matt about the exchange with Erin, I think. I'm trying to find
that document here.

Q Yeah, you're talking about the text messages that span like April 28 through the 29th?

A Yes. I'm sorry. Let me just make sure that I'm correct here. I want to find it. Why is not -- well, I'm not finding it, but I believe you're correct there.

Q That's okay because I actually think that's the next document I want to show you. But before I get there, I want to ask you one other question about this.

So the date -- the timing of this message is around -- it's just shy of 4:00 p.m. on April 28.

You know, if we go back and look --

MR. BROWN: Saul, if you can go back to Document 2, which I think you have saved up there.

Yes.

Q That's at 2:52, this e-mail from Witness 2 is at 2:52. So we're kind of like an hour later in time.

It does seem to me that a conversation was had with Cleveland Cliffs about the section --
initiation of a Section 232 investigation. So my thought is if we go back to Document 2, Saul, that the -- you know, you probably had or the office had some idea of Wilbur Ross and what he had agreed to do with AK Steel before Erin Collins texted all this?

A  Okay. Yeah. That must -- yeah, that sounds like that could be right then.

Q  Okay.

A  Yeah.

Q  I realize it's been a year.

A  Yeah. Forgive me. Yeah.

MR. BROWN: Let's go to Document 4, if you could, Saul. Thank you.

And then do I still have control? Great. I can control it here.

(Q Document 4, text message, marked for identification and retained by Attorney Brown.)

Q  I think these are the text messages that you were just referring to a second ago?

A  Yes, that's right. That's what this is. Yeah.
Q Let me scroll down a little here. So this is a April 28, 2020, text message, 3:41 p.m. You are texting Witness 2 and Matt Stroia?

A That's right.

Q Let's just walk through this text. And I've combined a couple of the text that you have sent so they are in order. But you say, Balderson team wants to do a positive joint statement. They are going to e-mail us within the hour.

What are you saying -- what's that initial text in reference to?

A Geez, I think that is about, I think, that -- so the plant shutting down, I think originally Erin and I were talking about a statement that was like maybe -- we were talking about -- statement and not to do that. Gosh. I don't -- Balderson's team want to do -- I mean, I'm guessing that's -- I'm guessing that's what it is. It feels like we have two different things going on at one time here while we're talking about two issues and so I'm just like kind of confused myself just looking back at the messages.
Q  It almost looks to me like Erin and your texts are lagging a little behind, maybe the knowledge that has happened in the office --

A  Which would make sense because Commerce people are usually the last people to know things, so.

Q  All right.  Well, then that makes sense. Let me walk you down this text a little bit further then. You said, I get annoyed when unnecessary headaches are created, and it feels like bureaucracy and politics are getting in the way. Shouldn't be this hard to fix.

Does that help jog your memory at all?

A  Yeah, I think that's probably me -- and, again, I'm speculating, but I'm pretty sure that I'm referring to like the plant doesn't have to shut down, it shouldn't be bureaucracy or politics getting in the way of the plant staying open. And if I'm like referring to, you know, why hasn't the Administration like done a 232 yet. Like why are they not doing it, kind of thing. I'm assuming that's what I'm talking about. Yeah.
Q Well, I think things will get a little clearer here because at -- if you look down at this text message, we're on April 28, 2020, 8:05 p.m. So that's the evening.

A Yeah.

Q You have had conversations, it sounds like, with Matt and Witness 2 about the Section 232 investigations, and you have had conversations with Balderson's com folks. So now -- those are in the afternoon, now we're in the evening. You say, never heard from Witness 5 about whether they want a quote from us or not.

Witness 5, I take it, means --

A Witness 5.

Q -- Witness 5?

A Yeah. From AK.

Q From AK.

A Yeah.

Q And then you say, is everything confirmed?

A Yeah. I think I'm asking if they're confirming that they're do the 232.

Q Okay.
A I believe that's what I am asking there. And I think that the quote was -- request, I think, was it Witness 2 --

Q Yeah, I think that Witness 2 mentions, and that's another document I'll show you.

A Yeah. Witness 2 sent an e-mail to Witness 5 offering me for a potential quote if they do any releases or anything like that.

Q To AK Steel and/or Cleveland Cliffs?

A Yeah, yeah.

Q Okay. So you say, is everything confirmed. And then I'm scrolling down here a little. And Matt Stroia, as chief of staff, responds and says, Commerce has not sent out their press release yet.

When he's referring to a press release, what's he referring to, as you understand it?

A Let's see. Oh, so he'd be talking about the -- because right after that he says, Cleveland Cliffs is waiting for Commerce to put their release out.

So I would imagine that they're talking -- he's talking about the 232 investigation.
Q Okay. So, in other words, what Matt is saying here is Commerce hasn't yet publicly announced the 232 investigation?

A I believe that's correct, yeah.

Q Okay. And Cleveland Cliffs is waiting to put out a press release until Commerce publicly announces it?

A Yes. I believe that's correct. Yes.

Q Okay. A little bit further down the text message, Matt says, I spoke to Commerce in the White House after our call.

Do you know who he's referring to, who's the individual at Commerce?

A I do not, no.

Q He says, they were hoping to have their release out tonight.

Again, I assume that release means a release on the initiation of the Section 232 review?

A That's a reasonable assumption, I think.

Q Is that your understanding of it, though?

A Yeah, I mean, I think so.

Q I just want to make sure I'm not missing
anything.

A Yeah. I think so.

Q Okay. So if you scroll down a little further, you know, Matt says, it's not confirmed until they put it in the press.

Then it looks like we get to the next morning, April 29, 2020, 9:04 a.m. You text and say, I still don't see it.

Are you referring to the press release by Department of Commerce?

A Yes.

Q Okay.

A Yeah.

Q You're expecting to see a press release that says, Department of Commerce has announced -- has initiated the Section 232 review?

A Yeah. That's right, yeah.

Q Witness 2 then responds, and Witness 2 says, just talked to Witness 5.

Again, that's Witness 5 at AK Steel?

A Uh-huh.

Q Okay.
A  I think, yeah.  Yeah, I would imagine so, yeah.

Q  The announcement is likely to come later in the week.  Again, announcement, as I understand it, and I want to make sure it's your understanding, too, is plan -- you know, initiation of the Section 232 review?

A  Yeah.  Yeah, I would think so.

Q  Okay.  Hopefully by Friday, based upon a late night conversation Witness 4 had with Ross' chief of staff.

"Witness 4" there is Witness 4 at Cleveland Cliffs?

A  Yes.  I believe so.

Q  And so Ross' chief of staff is Secretary of Commerce, Wilbur Ross?

A  Yes.  I mean -- yeah.  Yeah.  And I don't know who the chief of staff was.

Q  Do you know what -- or did you have any follow up with her about, she said, they need to get their legal ducks in a row, what that meant?

A  No.  Not that I recall.
Q Okay. So then Witness 2 goes on to say, it ain't over until Congress makes that announcement. You say, foot on the gas until we cross the finish line.

A Yeah.

Q Is there anything that I'm missing here that suggests that the Department of Commerce, you know, may change its mind, or is this just you guys saying like, keep our foot on the gas and keep doing what we are doing until it's official, out of an abundance of caution.

In other words, has something, you know, changed from what Wilbur Ross and the Department of Commerce has communicated about their plans to initiate a Section 232 review, or is this you and the rest of the staff saying sort of like, out of an abundance of caution, let's keep moving forward and keep pushing the issue?

A I think it is just us saying let's push and keep going until it is publicly announced because, you know, we are operating under the assumption that until Commerce says this, does this, says it
publicly, that it still could change.

Q  Okay.

A  I don't know that there's any like evidence
or anything that suggests that it had or was going
change, but we weren't -- I wasn't operating under
the assumption that it was going to be -- that it
was going to happen until it actually was announced.
So I can't speak for other people, but, yeah.

Q  Let me just get it straight and make sure.
The assumption is, or the understanding is, on the
part of Representative Kelly's office, you and other
folks, is that Wilbur Ross -- the Department of
Commerce has indicated that they plan to initiate a
Section 232 review, it is just a matter of when that
announcement's going to occur?

A  Yes. I think so. Yeah.

Q  Okay. I just want to make sure nothing had
changed, there wasn't any, you know, there wasn't
anything that happened that made you guys feel like,
okay, now maybe it's a little less likely than it
was, you know, a day ago?

A  I was going to say, I just think that the
longer -- like when they say they're going to do
something, and then the longer it doesn't happen,
you start to wonder if it's going to happen.

Q  Right.
A  So, but.

Q  All right. I think that's -- so these text
messages occur between April 28 and the morning of
April 29.
A  Uh-huh.

Q  We talked about this earlier on. You know,
my understanding is this is an issue that's
important to the office, it's important to
Representative Kelly. Is Representative Kelly, is
he in the loop on these issues?
A  I can't say what he knows when because it's
not me who would be talking to him about these
things. It would be Matt and/or Witness 2. Because
they're the ones communicating with the company and
Commerce.

So, I mean, it's reasonable to assume that
he might have been, but I don't know for sure. I
can't speculate.
Q Okay. So Matt and Witness 2 are the two who are most likely going to be communicating with Representative Kelly about these issues.

A Yeah. Yeah.

Q Okay. It is -- you said it's probably fair to assume that he is in the loop, and that's because this is an important issue for the district, this is an important issue for Butler, Pennsylvania, and, therefore, he's -- Matt and/or Witness 2 are probably keeping him in the loop on these things?

A Can't say for sure, but probably. I don't know.

MR. BROWN: Can we go to, Saul, can we go to Document 5, please.

(Document 5, e-mail, marked for identification and retained by Attorney Brown.)

MR. BROWN: All right. Thank you.

Q Witness 1, I think this is an e-mail that you were referring to earlier?

A Yeah.

Q Okay. Just for the record, here, this is an e-mail from Witness 2 on Tuesday, April 20 at 4:05
p.m. It is to Witness 4 at Cleveland Cliffs, Witness 5 at AK Steel, Matt Stroia, and yourself.

Witness 2 says, assuming everything stays on track with Ross' offer to help AK Steel, please let Witness 1 know if you need a quote from Mike.

Again, I just want to make sure I'm understanding things. When Witness 2 says, Ross' offer to help with AK Steel, she is referring to his offer to initiate a Section 232 review, would that be your understanding of that?

A I mean, yeah. I -- yes. I don't -- I don't think there was anything else going on, but I would imagine that's probably right.

Q That's the reading I take away. I just want to make sure you don't have some other reading of this that I'm missing?

A Yeah, no, I don't think so.

Q Okay.

A Yeah.

Q And then she prefices this with, assuming everything stays on track.

I think this just goes back to the point you
and I were discussing a couple minutes ago, until it's public, you know --

A  Yeah.

Q  We're not a hundred percent certain so assuming everything stays on track. But you don't have any reason to believe that, you know, things are looking like they're going to get off track?

A  Nothing specific, but, yeah, I mean, until it is publicly announced, we had no idea if it was going to happen or not.

Q  Okay.

A  Really. That's the way I felt about it.

MR. BROWN:  Okay. Saul, can you go to Document 6, please.

(Document 6, text message, marked for identification and retained by Attorney Brown.)

Q  This is a text message from May 1, 2020 at 3:49 p.m.

A  Uh-huh.

Q  The text message between yourself, Witness 2, and Mike Kelly, and Matt Stroia. I will jog your memory here a little bit and remind you that at 3:30
p.m., the Congressman had a conversation with Wilbur Ross. Were you on that call?

A Yes, I believe -- yeah, I must have been because it says, so that was a great call.

Q Tell me, why was that a great call?

A Well, I think the messages speak for themselves, that I believe that the Secretary told us that they were going to move forward on May 1. That's the day he told us they were going to move forward.

Q With the Section 232 review?

A Yes. Yes.

Q Let's go back to that phone call. You're on it. Just, how does it go, how does it start, who says what?

A That, I don't know. I can't go back and speculate about that. It's been a year. But, obviously, they said that they were going to move forward, and we were excited about that as an office.

Q Okay. When you say king history of advocacy, what are you talking about there?
A I think that that's a typo, and I don't know exactly what I meant to say. But I think the spirit of it sounds like we have to have a victory lap statement ready to go with what we've done on the issue and what's about to happen for -- because I think the call May 1 was Friday, and then sounded like they must have told us they were going to do it the next week or something, and I said, okay, we have to have something ready for Monday or Tuesday.

Q Okay.

A I'm pretty sure that's what this means.

Q Okay. So the announcement does -- this is a Friday. The announcement does come out late in the afternoon on Monday.

What's the hope post announcement? And sort of what are the office's plans after the Section 232 investigation announcement's occurred?

A Well, I mean, you're talking about like right after the announcement, like are we going to announce it ourselves? Is that what you're asking?

Q No. Let me clarify a little bit.

A Sure.
Q So I know you're the coms guy, you're not the policy guy, but I --

A Yeah.

Q -- suspect you have some insight into, you know, what's the game plan, what's the plan of attack moving forward for the Kelly office. A Section 232 investigation has been initiated. But, you know, that doesn't mean the tariff issue is resolved. So what is the Kelly office doing after May 4 to continue to address AK Steel, Cleveland Cliffs issues and concerns?

A I think once the 232 investigation was announced, it was about waiting to see what the investigation would yield. So I don't know what our office would have been doing during that time period. I don't recall us doing a lot during that time -- or at least me doing a lot during that period.

Q And I don't want to put words in your mouth here, but I assume that's not like your wheelhouse?

A Correct, yeah. I mean, I'm looped into things when we're ready to publicly announce them.
Q Do you have any awareness of what the current status is of the Section 232 investigation?

A It is my understanding that the investigation like happened, but I don't know that the administration ever did anything with it.

Q Okay.

A I don't think they ever put -- if they had put tariffs on something, we would have announced that for sure, so I don't think they ever did that.

Q And what is -- to the extent you are aware, what is the status of the Butler works, you know, AK Steel plants? Any threat of layoffs? Is everybody still employed?

A I haven't heard of any issues for a while.

Q Okay.

A Yeah, yeah.

Q All right. Let me switch gears a little bit.

When did you first become aware of Victoria Kelly's stock purchase in Cleveland Cliffs?

A That would have been when the Pittsburgh Post Gazette reached out to us about it in
September.

Q Okay.

A Yeah.

Q Do you remember when in September they reached out to you on it?

A Yes. It was early in September because I remember that we waited several -- a few weeks before the story dropped. So it was early September.

Q Okay. Because I think we requested documents from the 14th forward, but I gather from the materials that you had some communications about this early in September. And is it fair to say you had communication with both the Pittsburgh Post Gazette and internal communication?

A Yes.

Q And you have -- do you have those documents saved as well?

A I do not, no.

Q Well, I have some questions about it. I may ask you for some of those materials, but let me ask you some questions about this stuff. We can come
back to that.

What happens after the Pittsburgh Post Gazette approaches you about this potential story?

A So without looking back at everything, I'm not a hundred percent sure, but normally what would happen with a press inquiry is I would receive it from, you know, the reporter, and then I would run it up the chain, depending on where it needed to go. So if it was just a simple policy issue, I would go to the policy person, work on a short statement, and then work and get it approved by Matt, and we would send that out. And in this case, since the inquiry was about the Congressman, we ended up, you know, we would run it up to him, give him an inquiry, like what do you want to say to this, and then he would kind of give an overview of what he wants to say, and I would kind of just condense it and we'd shoot it off to the reporter, so.

Q All right. Well, talk to me about that. What does he say when you approach him about this inquiry?

A These were -- this was a conversation from
eight and a half months ago. So I'm not exactly sure, but like I can't recount the exact conversation, but I -- whatever we sent to the Post Gazette is going to be a microcosm of that.

So he was, from what I recall, you know, pretty passionate about the fact that like we're trying to save the Butler community, or save the AK Steel plant, the Butler community is like rallying around to save it.

And, you know, whatever, I took whatever he said and just kind of condensed it down into this. So if you want me to read you the statement we sent the Post Gazette, I can do that.

Q No, that's okay.

What did he tell you about the conversations he had with his wife about making the purchase?

A Nothing that I recall. When I would -- I don't have any reason -- I don't know what they talked about, so.

Q Okay.

A If anything.

Q I think you said you first learned about the
stock purchase in September?
   A Uh-huh.
   Q Okay. So then as I -- as I surmised, you
didn't assist the Kellys with any sort of
announcement back in April about the purchase of
this stock?
   A No.
   Q Do you know that they -- did they make any
sort of public announcement about the purchase of
the stock?
   A Are you referring to a disclosure?
   Q No, not a PTR, I'm talking about, you know,
a public comment, like, you know, we bought this
stock in order to support the local --
   A No, I don't think they made that -- any
public statements. They certainly didn't do one
through me.
   Q Would you have been aware of that if -- if
they were going to make some sort of public
statement on this?
   A If they were going to make a public -- if
Congressman Kelly was going to make a public
statement through his congressional office, yes, I would have known about it unless he was talking to some reporter off the cuff somewhere and I wasn't there or it was impromptu.

Q Okay.

A So, yeah.

Q So I guess what I'm trying to get out of here is the quote, the response you provided to the Pittsburgh Post Gazette and the Butler Eagle and maybe some others, was, Representative Kelly's wife made a small investment to show her support for the workers and management of this 100 year old bedrock in their hometown.

I guess I'm just trying to find out or trying to figure out how that purchase showed support.

A I mean, that's not something I can answer. I don't know, you know, exactly how they look at these things. That's just what he wanted to say in response to the inquiry. So I don't -- I mean, obviously, I think if I'm just spit balling, an investment in the company is a small cash infusion.
I don't know if that is what you're asking me. But I can't speak to their state of mind or whether they had conversations about it, or, you know. I don't know. I don't know what they -- exactly what was in his mind with that. I just know this is what he wanted to say.

Q When you asked him about -- when you brought this press inquiry to him in the first instance, did he respond to you right away on it?

A So I think so. I mean, I think -- because typically what would happen is like I would probably -- I am trying to remember back. I may have called Matt first, and then I think we might have -- this is typically how this would go, if we got an inquiry. Like I would call Matt about it, and then we might patch Mike in to kind of read what's going on, and, you know, read to him and whatnot.

So, again, I'm dealing with a hazy memory about the exact sequence, so I am hesitant to just kind of say this is what happened. Because I don't --
Q I understand and I appreciate that.

I think the one thing I would ask, if you could go back to wherever it was in early September and look at your materials and see if those, you know, jog your memory a little bit, and if you could forward those along to us, to the extent there are texts or e-mails, those would be helpful.

As a bit of a non sequitur here, the Congressman, he doesn't e-mail, does he?

A No. I don't believe he uses e-mail at all.

Q Okay. So if it's a -- if you are going to communicate with him, it sounds like it is text or phone call?

A Yeah. And he doesn't text very often, either, generally speaking. So, yeah.

Q Well, back to this quote, I guess really what I'm trying to grapple with is, the way the quote is written it says, like, you know, small investment to show her support. To me, that suggests a show of public support, you know, by the Congressman and his wife. But I don't get the impression that any -- you know, there was anything
public about this stock buy.

A I mean, other than the disclosure, I don't think so, no.

Q Okay. Give me one second here.

MR. BROWN: Saul, can you pull up Document 7.

(Document 7, text message, marked for identification and retained by Attorney Brown.)

Q Witness 1, while he's pulling that up, let me ask you, I know that your -- I said that you said normally you sort of run things up through Matt. So Matt was likely involved in any response or the crafting of any response to this article or this request for information in the Pittsburgh Post Gazette?

A Yes. I mean, typically if I'm drafting something based on something we've all talked about, we'll either -- like I'll text with Matt about it, or Matt and Mike, and we'll just kind of go back and forth about it. So, yeah. I mean, I don't send anything out without the approval of both Matt and Mike usually.
Q Okay. Well, if there are some text messages with respect to the crafting of this response from, it sounds like, maybe early September, and you have those and you can forward those along, that would be great.

A Okay.

Q It looks like this is Exhibit 7, another text message you sent to us. This is from September 14, 2020.

You say, Mike's not in today. It's a text to Witness 2. Sorry. You say, Mike's not in today.

She responds, since Vicky's driving down with him -- is Vicky the Congressman's wife,

Victoria Kelly?

A Yes.

Q Okay. Witness 2 says, I bet he doesn't come in until tomorrow.

You say, oh, perfect. She gets to be here when our favorite story drops.

A Yes.

Q Tell me what you're referring to there.

A Yeah. So I'm making the assumption that the
Pittsburgh Post Gazette is going to drop sometime
that week, but I don't have confirmation of that at
that point because the confirmation comes later, so.

Q And why is this your favorite story?
A That's tongue and cheek. Obviously, as
communications director, I'm worried about, you
know, stories and how they portray the Congressman
in the public. And so I wasn't sure what this story
was going to look like and I was nervous about it.

Q Tell me more about that. Why -- what was
the anxiety associated with?
A Well, I think, I mean, anytime you have
something that like suggests there might be an
ethics issue or whatever, then it could get picked
up and become a much larger story. And I think you
saw my concern for that in the other text messages
as well.

Q What's your understanding of the potential
ethics issue that the Congressman faces?
A I think what's in the story is, you know,
the -- is the debate, the timing, I mean, that's the
question that's posed in here, you know, whether or
not there's an issue with them having stock in the company, you know, that we're working on behalf of in the office. I mean, that's -- I was worried that people would take that as wrongdoing. I mean, that's --

Q Was that discussed among staff?

A Yeah. I mean, you saw that in some of the other -- well, you saw that in some of like my concern about that in some of the other text messages, we were worried about it being used against us politically and, you know, trying to paint Mike as something that we don't believe is true, you know, so.

Q Obviously, I am guessing from the inquiry from the Pittsburgh Post Gazette, you know, they're framing this as a potential ethics issue.

A Uh-huh.

Q How does the Congressman respond to you, you know, and to the implication that the timing of this purchase is suspect? What are his initial reactions to you?

A Trying to think back to the calls, but I
I don't -- I mean, you know, just knowing him, I mean, obviously, I think he would be frustrated that that would be the implication or the insinuation. But, again, because this was so long ago, I can't go back and like actually give you a detailed thing about his response. I wish that I could, but I just can't. And I don't want to do that, you know, and be wrong.

Q Is there an office, you know, is there an office policy about staff members and the purchase of stock or securities?

A An office policy about it? I'm not aware of one, if there is.

Q I guess what I'm -- maybe I can ask it this way: Do folks in the office, you know, buy and trade securities?

A I don't know of anyone -- I don't know of anyone else's financial situation. I don't buy individual stocks.

Q I guess the question I'm getting at, or the issue that I'm struggling with here is just, you know, given the timing and what you knew at the time
about the potential layoffs coming off the table and there being a deal with the Department of Commerce initiating the Section 232 review, you know, would you have felt comfortable, based upon that knowledge, purchasing securities at that time?

A  Me, personally?

Q  Right, because --

A  No.

Q  Sorry.

A  No. I mean, I don't buy individual stocks anymore, or I used to do that in college, but then I stopped doing that. So I don't -- I wouldn't have done that, but I don't know what that means for their state of mind or why they did it or anything like that.

Q  Well, and tell me why wouldn't you have done that?

A  I don't know. I wouldn't want -- I just -- I wouldn't want the appearance of any wrongdoing, even if there was nothing wrong with it.

MR. BROWN:  Omar, did you want to jump in?

MR. ASHMAWY:  Actually, no. You just asked
the question I was going to ask. I'm good.

MR. BROWN: Okay.

Q And I ask that, Witness 1, not to -- you
know, I know it's a hypothetical for you, but you're
in the position of having -- you're in the position
of knowing sort of what was going on in the office
and what the office was aware of at the time. And
so I'm -- I'm trying to get a sense of whether or
not there was a sense in the office that, you know,
the timing of these trades was suspect, given the
information that was known to folks in the office,
given their positions, given their official
positions?

A I mean, I don't recall ever like talking
specifically about that with anyone. But you're
asking me what I thought, and I just -- what I
think, if it were me, I probably wouldn't have done
it. But that doesn't mean, in my mind, that what
they did was wrong or she did was wrong. Again, I
don't know what, if anything, they talked about or
what anything other than what's in the statement, I
don't know anything about a motivation other than
what's here, so.

Q    And I appreciate all that, like I said. I'm just trying to get at, you know, you've got -- you have a better sense than I do, certainly, what was known at what time, but I completely understand what you're saying.

MR. BROWN: Let me pull up, Saul, if we can, can you pull up Document 12. That's the PTR.

(Document 12, Periodic Transaction Report, marked for identification and retained by Attorney Brown.)

Q    You know what that is, Witness 1, the periodic transaction report? Have you seen this?

A    Take a look at it, see if I've seen it.

Q    Witness 1, I don't know if you have seen this report. Have you seen this report before?

A    It looks familiar. I'm wondering if the reporter sent it to me. That might be where I've seen it.

Q    Well, take your time and look at it for a second here. I'll just highlight a couple things for you.
So this is a periodic transaction report from Representative Kelly. If you look at the bottom there, the full asset name, it says Cleveland Cliffs, Inc. You can see the checkmark there, it says, purchase, and it says between $15 and $50,000.

Now, if you look at the date there, it says date of transaction, 4-29-20. April 29, 2020. And then next to that it says date notified of transaction, 5-27-20.

Do you know why those dates are different?

A The date? No, I don't. I have no idea why those are different.

Q Have you ever talked to Matt or the Congressman about those dates?

A No.

Q Okay.

A No.

MR. BROWN: Saul, can you pull up Document 8 real quick.

(Document 8, text message, marked for identification and retained by Attorney Brown.)

Q This is a text message you provided. It's
from Daniel, on Friday, September 18, at 1:44 p.m.
Daniel says, hey, there. I've been told the story
will run Sunday.

I take it this is Daniel Moore at the
Pittsburgh Post Gazette?

Q And he's saying, the story that you have
been going back and forth on will be published in
Sunday's paper?

A Yes.

Q Okay.

A I am trying to wrap it up, Witness 1. I
have just a couple more questions for you.

Q Do you guys work through -- do you guys in
the Kelly office, work through a -- like a platform
like Teams or anything like that?

A No. I mean, we have it, but we have -- we
don't really use it.

Q Okay.

A At least I don't.

Q So if communications about any of the stuff
that I request from you were going to have occurred,
it would have been text or e-mail or phone call?

    A Yes. Yes, that's right.

    Q And it looks like you went through both your
text and your e-mails then and produced that?

    A Yes.

    Q Okay. In advance of this, in advance of
this interview, have you spoken to anybody else
about our office initiating an investigation or
producing documents or having to sit for an
interview?

    A So at one point my chief, Matt, asked for
some documents a while back. I don't remember
exactly when it was. And so then we -- I think I
went through my e-mails for a certain period and
gave them to him. And then I don't know what they
did with that stuff or what he did with that stuff.
And then when I got the e-mails from you that said
you had a communication for me, I was not -- I
wasn't sure what it was about. So he knows that I
got that. But yeah. Is that what you're asking?

    Q Yes. It is. And have you guys discussed
request for information or this interview?
A No. He has not -- basically, I expressed to him that I was nervous about the situation because I didn't know what to expect from the process. He's my boss.

Q Yep.

A And, basically, all he said to me was, hey, you need to just do -- you know, do what you need to do, do what you think is right.

Q Okay.

A And that's all we've done. So we did not discuss what I would be submitting, we did not discuss what I would say or -- and he did not pressure me one way or the other, whether to participate or not.

Q Okay.

MR. BROWN: Omar or Annie, do you guys have any follow-up that you'd like to ask Witness 1?

MR. ASHMAWY: Yes. Thank you, Jeff.

QUESTIONING BY MR. ASHMAWY:

Q And, Witness 1, thank you very much for your time as well. I appreciate it.

A Sure.
Q And, honestly, just pretty generically, just --

MR. BROWN: Omar, I don't think you're on video. Are you?

ZOOM TECHNICIAN: His video is not showing.

MR. BROWN: There you go.

MR. ASHMAWY: There we are. Look at that. Sorry about that.

Q So, pretty generically, I wanted to ask you, the statement about the Congressman's spouse's stock purchase to the Pittsburgh Gazette, was that the only public statement that you're aware of?

A No. So we sent -- I believe we sent this one, and then I think a couple days later, from what I recall, Daniel might have followed up. And then we sent him like a brief statement about like when we were certain that the investigation was moving forward. And then I think I might be -- that might be it.

Q Actually, I apologize. I don't think I asked a specific enough question.

A Okay.
Q Which is, the statement to the Pittsburgh Gazette about why Ms. Kelly made the stock purchase, to support the local business, is that the only time that explanation was made, as far as you know, in a public manner?

A As far as I know, that's the only time I've given it out to anyone except to the Butler Eagle, who asked for our statement that we gave to the Gazette. So yes. Other than the two times that I gave the statement out, I'm not aware of it being used elsewhere. Does that answer your question?

Q Yes, that answers it directly.

And then even more generically, you said that you used to trade stocks when you were in college, it's not something you do anymore. I was just wondering why? Like why don't you -- you know, is it because you work in Congress now and you're worried about the optics, you just don't like the idea of trading stock anymore? Just curious.

A No, I stopped probably just shortly after college because I no longer had time to delve into what stocks were good to pick and whatnot. And, of
course, now working for Congress, I just, you know, I just do like random investing. So it's like the, you know, the bot investing, it kind of just picks where it -- you know what I'm saying, like you just given money to like an auto investor, and then it just picks for you and, yeah. So that's what I do.

Q And, again, just speaking for yourself and no one else, do you think that trading specific stocks while being an employee of Congress or working for a member or like us working for an ethics organization, is potentially problematic, at least from an optics perspective? Again, speaking for yourself.

A Just speaking for me, yeah, I mean, I've already said I probably wouldn't, but --

Q Okay.

A -- that doesn't mean that it's wrong or anything like that, so.

Q No. I understand --

A I probably wouldn't, but, yeah.

MR. ASHMAWY: Jeff, that's all I have. I don't know if Annie has any questions.
This is probably the last time you're going to hear from me, Witness 1. So, again, thank you very much for your time, and we really do appreciate your cooperation.

MR. BROWN: Saul, can you take down the document.

FURTHER QUESTIONING BY MR. BROWN:

Q Witness 1, I did just have one more question as I was flipping back through my notes here.

In the statement you provided to the Pittsburgh Post Gazette and the Butler Eagle that Omar was just referencing, there were kind of two parts. The second part, you said, whether a trade investigation will be launched, quote, was uncertain until Secretary of Commerce Wilbur Ross confirmed the plan in a private phone conversation with the Congressman on May 1.

I take it that that's a reference to the May 1 phone conversation that you were on with Representative Kelly and some others?

A That's correct, yeah.

Q Okay. When you say it was uncertain, the
initiation of the Section 232 investigation was uncertain, it was uncertain in the sense that it had not yet been publicly announced?

A That's right, and that's what a lot of us thought was the -- was going to be the -- be what meant that it was happening, that it was publicly announced.

Q Okay.

A But, of course, the conversation with Secretary Ross was a very close second to that.

Q Okay.

A So, yeah.

Q Given everything that we talked about sort of earlier on in this interview and all the documents and such that we went through, is it fair to say that, you know, it's, you know, uncertain in the sense that it hasn't been announced, but you and the office have gotten very good indications that it is going to be announced, it is just a matter of when, not if?

A I think that's a probably fair characterization, but I would also say that, you
know, we had been dealing with the issue for a long
time, and so until it actually was publicly
announced and until the Commerce Secretary told Mike
directly, I don't know that we -- any of us were
actually certain that it was -- it might occur.

Q Okay.

A So does that make sense?

Q Yeah, no. That does. That absolutely makes
sense.

A Okay.

Q I think the point, maybe the clearer way to
ask this question is, there was nothing -- let me
rephrase.

Cleveland Cliffs, it sounds like, advised
Witness 2 that they had a conversation with
Commerce, and Secretary Ross indicated they were
going to initiate a Section 232 review, and then
Matt has a conversation later that day with somebody
at Commerce, who says, you know, the announcement,
it's coming, it's just a matter of when.

You know, I just want to make sure that
those clear -- those are -- what seem to be fairly
clear indications that the announcement is coming. I just want to make sure that there's nothing that happened at any point in time to suggest that what Secretary Ross had said or what this gentlemen from the White House had shared with Matt had somehow changed, and that the uncertainty stems more from wanting to see it in writing than it does from any communication that would suggest that --

A Yes. I think that that's fair. Yeah, I mean, I don't know exactly what they were talking about or if anything made them uncertain about it. But, yeah, it's a general feeling that until something is publicly announced, we aren't certain that it is happening.

Q Okay.

A Of course, but once the Secretary said, this is happening, we are obviously much happier about it, much more certain, so.

Q Okay.

MR. BROWN: All right. Annie, did you have anything for Witness 1?

QUESTIONING BY MS. CHO:
Q I just had one follow up, and I'm sorry if I missed it, if you answered this before. But regarding Ms. Kelly, does she come down to the office often and, you know, how involved is she with the staff?

A She doesn't come to DC often, and usually when she's here, I don't think I've ever seen her come into the office. So there are weeks where she's driven down with Mike and spent the week here doing whatever she does while she's here. But as far as direct involvement with me, personally, I've probably spoken to her only twice in two and a half years, and it wasn't about any of this.

Q Okay. And you're -- sorry. You can finish.

A Couple of times.

Q Okay. And with regards to this -- her stock purchase, was that ever discussed in the office at all with her, personally, with the --

A Not with me.

Q Or you. Okay.

A No. I mean, if it did, which I don't think it did, but I wasn't there. But I have never seen
her in the DC office that I can recall.

Q Okay. That's all I had.

MR. BROWN: All right. Well, with that,

Witness 1, thank you very much.

I think we can go off the record. So,

Martin, if you want to stop the record at this
point, that would be great.

(Off the record discussion regarding
witness signature and the transcript order.)

(Audio recording ends; proceedings
concluded at 4:20 p.m., Eastern Standard Time.)
CERTIFICATE OF COURT REPORTER - NOTARY PUBLIC

I, Martin Onuegbu, the officer before whom the foregoing proceedings were taken, do hereby certify that said proceedings were electronically recorded by me; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 25th day of May, 2021.

[Signature]

Martin Onuegbu, Notary Public
for the State of Maryland
CERTIFICATE OF TRANSCRIBER

I, Annette M. Montalvo, do hereby certify that the foregoing transcript is a true and correct record of the recorded proceedings; that said proceedings were transcribed to the best of my ability from the audio recording and supporting information; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

[Signature]

Annette M. Montalvo, RDR, CRR

Date: May 25, 2021
EXHIBIT 3
January 15, 2020

The Honorable Wilbur L. Ross, Jr.
Secretary of Commerce
Herbert Clark Hoover Building
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Ross:

On December 3, 2019, Cleveland-Cliffs publicly announced that it had entered into a definitive merger agreement to acquire AK Steel. Once final, this acquisition will bring together two storied, Ohio-based companies, with a combined workforce of approximately 11,700 employees. AK Steel is the sole producer of Grain-Oriented Electrical Steel (GOES) and Non-Oriented Electrical Steel (NOES) in the United States. Production of GOES accounts for the majority of AK Steel’s electrical steel business. Given the importance of maintaining the security and integrity of the electrical grid, preserving this industry within the United States must be an imperative for the federal government. Simply put, we cannot rely on foreign powers to maintain our electrical grid.

Thanks to the Section 232 steel tariffs implemented by President Trump’s Administration, imports of GOES coils into the U.S. market are down significantly over 2017 levels. However, during the same period, GOES imports into Mexico and Canada have soared to a stunning 80% over 2016 levels (see attached GOES ‘fact sheet’). In order to continue capitalizing on unfairly-traded GOES from countries including Japan, Russia, China and Korea, transformer manufacturers within the United States have moved production of laminations and cores (intermediate products predominantly consisting of GOES by value) to Canada and Mexico or are sourcing these intermediate inputs from those two countries to evade the 232 tariff on GOES. Importantly, neither Mexico nor Canada have domestic GOES production. Rather, those countries are conduits for circumvention of the Section 232 tariffs through the production and export of laminations and cores to the U.S.

These unfair trade practices have degraded the domestic electrical steel market to the point where the viability of maintaining AK Steel’s electrical steel business is in immediate question. If AK Steel were to idle its electrical steelmaking operations, it would likely result in the elimination of approximately 1,400 jobs at Butler Works and over 100 jobs at the Zanesville Works finishing facility in Ohio. These workforce impacts would be devastating to the Butler and Zanesville communities and would be deeply felt throughout the Western Pennsylvania and Central Ohio regions due to the high spin-off value of steel jobs.

Furthermore, the challenges facing the electrical steel market were cited by the Department of Commerce as one of the primary justifications of the Section 232 tariffs. The idling of AK’s electrical steel business would cede control of electrical transformer manufacturing capabilities to GOES producers in China, Russia, Japan and Korea.

I respectfully request your support of a standalone Section 232 on the transformer supply chain or a supplemental Section 232 (under the existing steel tariff structure) covering transformer laminations and cores, which are simply cut or shaped electrical steel, that would address GOES tariff circumvention via production of these products in Canada and Mexico.

Please be assured that Cleveland-Cliffs is committed to the success of the AK Steel acquisition irrespective of what becomes of its electrical steel division. However, for the sake of U.S. national security and the fate of
roughly 1,500 direct jobs in Pennsylvania and Ohio, I urge your support for action to address this blatant tariff circumvention as soon as possible.

I hope to meet with you very soon to discuss the future of electrical steel production in the United States. Thank you for your consideration of this most important matter.

Very truly yours,

[Signature]

Lourenco Goncalves
Chairman, President & Chief Executive Officer
Cleveland-Cliffs Inc.

Enclosure

cc: Ms. Nazakhtar Nikakhtar, Under Secretary for Industry and Security – Designate
EXHIBIT 4
March 6, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to express our urgent concerns threatening America’s electrical steel market. We have strong reason to believe that unfairly traded imports of minimally transformed grain-oriented electrical steel (GOES) are pouring into Canada and Mexico, contrary to the intent of the administration’s action pursuant to Section 232 of the Trade Expansion Act of 1962. These imports are then being used to create downstream products that are entering the U.S. at such low prices they are further eroding the U.S. electrical steel market. We urge you and the administration to address this matter immediately before the doors of the last American maker of electrical steel close.

We represent the nation’s only producer of electrical steel, AK Steel, which will soon be acquired by Cleveland-Cliffs. This week, Lourenco Goncalves, chairman and chief executive officer of Cleveland-Cliffs testified before the Congressional Steel Caucus in Washington, D.C., that unless his company receives Section 232 tariff relief, he will be forced to close the two AK Steel plants in our districts. This would mean the loss of thousands of jobs in Butler, Pennsylvania, and Zanesville, Ohio. Moreover, if the AK Steel plants close, this country will no longer produce GOES that go into transformers for the electrical grid, which poses a serious national security risk.

The United States cannot afford to lose the one remaining producer for grain-oriented electrical steel (GOES), for economic or national security reasons. GOES, which is used to make electrical transformers, is critical for our national power grid. Without AK Steel’s GOES, the U.S. will be solely reliant on overseas production for material that supports America’s critical infrastructure. If the national electrical grid were to be attacked or compromised by a natural disaster, the U.S. would need a dependable source of electrical steel to allow for rapid repair. Becoming wholly dependent on foreign producers for this vital product puts Americans at grave and unnecessary risk.

For now, U.S. imports of GOES are restricted by tariffs imposed under Section 232 of the Trade Expansion Act of 1962. However, there has been a dramatic increase in imported GOES into Canada and Mexico – two countries with no capacity to make GOES. GOES shipped to Canada and Mexico does not stay there. Instead, after very limited processing, much of it enters the U.S. market in the form of internal components of electric transformers. These products include

...
laminations, cores, and core assemblies – products that generally consist of GOES that has been merely stacked, slit, or wound.

We appreciate your valiant work to improve the U.S. global trade situation and national security, especially your work to rebuild and support the American steel industry and its workers. We implore the U.S. Trade Representative and the Department of Commerce to address this matter immediately before our communities lose thousands of jobs and our country sees the doors of the last American maker of electrical steel shuttered. America cannot afford to lose its last remaining producer of electrical steel.

Sincerely,

Trey Balderson
Member of Congress

Mike Kelly
Member of Congress

cc: Ambassador Robert Lighthizer
    Secretary Wilbur Ross
EXHIBIT 5
Chairman Lamb: Thank you, happy to have another Western Pennsylvanian with us today, Mr. Kelly recognized for three minutes.

Rep. Kelly: Thank you chairman, thank you all for being here, but more than anything else, thank you for your patience. I came here in 2011, and you put out the same message that you’re putting out today. And we all sat up here and we appreciated you saying we want to thank you for your service, and we didn’t do a damn thing for you. Not until 2017 did anybody actually back up their words with some action.

Now, I represent Pennsylvania’s 16th congressional district, but more than anything else, about a half a mile down over the hill where I’ve spent most of my life, and my family’s business, is a company called AK Steel. And Mr. Goncalves is with us today, and I want you to talk about this because I am so – I’ll just stop the first half – I’m so damn mad about what it is… actions speak a hell of a lot louder than words. We’re in a death situation right now because we are the last producer of electrical steel in the United States, grain oriented electrical steel. Could you please share with the rest of the people here today, and listen I mean this – I am so glad you are here. I can’t believe that you’ve sat there for so many years telling us what your problem is and we keep nodding our heads and tell you we’re going to do something about it, and we didn’t do anything about it until 2017. The Congress had nothing to do with it; it came from the White House, so strong leadership.

Mr. Goncalves if you could, the state we are in today, and the danger we have of losing our ability to make grain oriented electrical steel in the United States, and the way right now, it’s being circumvented. You know you make steel in China and in Korea, you send it to Mexico over to Tijuana and then they do their act on it, and then the send it back to the States and they say no, no this isn’t foreign steel. This is from your friends in Mexico, so friends shouldn’t treat friends that way. Would you please talk about exactly what’s happening at AK Steel and the danger the United States has in losing that ability to make its own grain oriented electrical steel?

Mr. Goncalves: Thank you Congressman Kelly, I appreciate giving me the opportunity to express that here. AK Steel is the last producer of grain oriented electrical steel in the United States. What does that mean? It means we are the last man standing between this country’s ability to produce transformers for the electric grid and having to import everything.

During the last few years, Section 232 action actually took care of the dumped electrical steel from China, South Korea, and Japan. But bad players always find a way to circumvent things, so couple clients – buyers
of electric steel – grain oriented electric steel, found their way to put
pieces of equipment, not entire plants, pieces of equipment in Mexico, in
Canada, and they operate more or less like that. Instead of importing in the
coil directly from these three countries, they import the coil into the West
Coast of Mexico, then they slit the coils in bulks, move those coils by
track between the West Coast of Mexico and Matamoros across the border
from Brownsville, Texas. Cut in pieces called laminations, these
laminations go on a truck. The truck goes across the border, and back into
for example, Mississippi, and build a beautiful made in USA transformer
done with dumped Chinese, South Korean, and Japanese steel with the
great help of our friends from Mexico, and our friends from Canada,
circumventing under our very nose, and taking advantage of our
friendship. That’s what’s happening.

But this company, I’m closing next week, I put three billion there, I put
another billion, so I understand numbers very well. And if I don’t get help
– and by the way, someone here who told that Section 232, I think it was
Vice-Chairman Bost, Section 232 was done among other things to protect
our ability to produce transforms. I’m telling you right now Chairman
Lamb, coming March 13, this thing is not corrected, I told Secretary of
Commerce, Wilbur Ross, that I’m not in this business to lose money. We
are together in the business of protecting the United States, but I can’t lose
money for that or at least not that much. I’m willing to lose a little bit, but
not that much. So, I’m closing on the deal; I understand numbers; I know
what to do. I need help. The work is in Butler, PA and the workers in a
plant in Zanesville, Ohio also need help. I’m talking fifteen hundred jobs
in Butler, PA and 100 jobs in Zanesville, Ohio that will be gone. I promise
they will be gone if I don’t get help.

Rep. Kelly: I want to thank you, but also there’s not many of our members left because
they’re off doing other things and that’s very important. We have watched
for 50 years the erosion of this business, and we’ve let it happen. There’s
an old saying, “you can’t forfeit the game and then cry because you lost.”

It’s time for us to stand up and actually defend these industries, not with
words, and not with an eye or two on the Hill in Washington, D.C., but
actually back in the places that we represent and on the floor of the
Congress, and make sure we back this administration and encourage them
to continue to fight this the only way we can. I’m tired of losing jobs; I’m
tried of hearing about what we’re doing for people; and I’m tired of
hearing people say, “well there’s just nothing we can do about it.” Well
goddammit, find an answer and get it done. We’re losing too many jobs.
Thank you very much for being here.
EXHIBIT 6
Attached is our draft for the updated AK Steel letter.

Thanks!

Anna McCleaf | Legislative Correspondent
U.S. Representative Mike Kelly (PA-16)
1707 Longworth House Office Building
(202) 225-5406 | www.kelly.house.gov
Anna –

My changes in red.

Andrew Eisenberger
Communications Director
Rep. Mike Kelly | PA-16
(202) 225-5406
Thank you for contacting me regarding AK Steel. I appreciate hearing from you on this important matter for the Butler community and America as a whole.

As you may know, Lourenco Goncalves, the chairman and chief executive officer of Cleveland-Cliffs, which owns AK Steel, testified before the Congressional Steel Caucus that unless certain electrical steel products receive Section 232 tariff protection, he will be forced to close the Butler plant. Currently, U.S. imports of grain-oriented electrical steel (GOES) from China are assessed Section 232 tariffs under the Trade Expansion Act of 1962, but several nations are exploiting a loophole by dumping cheaper, slightly modified product into Mexico and Canada. Those products inevitably make their way into the United States, undercutting AK Steel’s ability to continue producing electrical steel. AK Steel is the last American electrical steelmaker, and if these unfair trade practices continue, the United States will rely on foreign nations for key components of its electrical grid. We cannot stand idly by and watch this happen. The loss of this plant would be detrimental to our community and threaten national security.

Thankfully, on May 4, 2020, the U.S. Department of Commerce started an investigation into whether imported GOES products are a threat to America’s national security interests. I personally urged President Trump and Secretary of Commerce Wilbur Ross to take this necessary first step to save AK Steel, and I will continue working with the president, Secretary Ross, United States Trade Representative Robert Lighthizer, Mr. Goncalves, and labor representatives at AK Steel to fight these unfair trade practices.

Again, thank you for expressing your thoughts on this important issue. Please do not hesitate to contact me or my staff if I can be of assistance in the future.

If you would like to hear more from me on this issue and others, please subscribe to my newsletter at www.kelly.house.gov.
Transcript of Interview of Witness Three

Review No. 21-9221
May 27, 2021
May 27, 2021
11:06 a.m. - 12:02 p.m.
OCE Matter (21-9221)

* * *

ZOOM VIRTUAL INTERVIEW
OF WITNESS 3

Job No.: 376739
Pages 1-61
Transcribed by: Molly Bugher
APPEARANCES

(Teleconference via ZOOM)

OFFICE OF CONGRESSIONAL ETHICS (OCE)

OF THE U.S. HOUSE OF REPRESENTATIVES

By: JEFF BROWN, ESQUIRE

OMAR ASHMAWY, ESQUIRE

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Washington, DC 20024

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MR. BROWN: This is Jeff Brown with the office of Congressional Ethics. With me or my colleagues, Omar Ashmawy and Annie Cho. Before us today we have Witness 3. And we are undertaking a remote video interview of Witness 3. And it is May 27, 2021 at 11:05 in the morning.

Witness 3 has been given a copy of the false statements warning, and signed the acknowledgment. And with that we will get started.

So Witness 3, you were at the Department of Commerce previously. How long were you there for and what was your role?

WITNESS 3: I was at the Department of Commerce for approximately two years, eight months. In the final year and a half I was in the capacity of the acting assistant secretary for legislative affairs.

MR. BROWN: Okay. So since -- from January 2020 forward until you left, acting
assistant secretary for legislative and government affairs?

WITNESS 3: Yes.

MR. BROWN: Okay. What are your duties in that role?

WITNESS 3: I'm sorry, Jeff. I'm sorry. Your question -- I'm no longer in that capacity. Are we saying something differently? I'm no longer in that capacity. My responsibilities as acting assistant secretary ended on January 20th. Did we get that right?

MR. BROWN: We didn't cover that, but I knew that. And thank you for clarifying.

WITNESS 3: Okay.

MR. BROWN: So from January --

WITNESS 3: Past tense, yeah.

MR. BROWN: From January 2020 through January 2021, that was the role that you held?

WITNESS 3: Well, yeah. It was actually November 2019 through -- actually October 2019 through January 20, 2021, yes. Just to kind of set the parameters.
MR. BROWN: And just walk me through, what were your responsibilities in that role?

WITNESS 3: My responsibilities as the acting assistant secretary included -- well, I was the principal liaison between the administration, United States Congress, the Department of Commerce, tribes, state, and local governments. In sort of a 30,000 foot overview I was responsible for coordinating and overseeing the Department's legislative initiatives and articulating the Department's positions on legislative initiatives and proposals to Congress, tribes, state governments, and local governments.

MR. BROWN: And that's the senior-most position in the legislative affairs shop; is that correct?

WITNESS 3: It is. It is. I had a staff of probably a half a dozen deputies that worked with me and under me. But, yes, the assistant secretary is the senior-most position within the legislative affairs unit.
MR. BROWN: And so how close did that put you to decision-makers like Secretary Ross or his Chief of Staff? How frequently are you interacting with the Secretary and his people?

WITNESS 3: Quite frequently.

MR. BROWN: Okay. My real goal with this interview is to just walk you through a timeline of events about the Section 232 investigation that was ultimately publicly announced on May 4th. And I want to do that primarily in reference to the documents. But before I do that, I am going to just ask you, now that you've -- I sent you a couple of documents to try and jog your memory on some of these issues and hopefully you had a chance to think about these issues a little bit.

So before I get to any documents, I'm just going to ask you to tell me when did the Department of Commerce first decide internally that it was going to initiate this Section 232 review on AK Steel?

WITNESS 3: My recollection is not
strong on the specific date. I do recall
generally there was a great deal of interest on
the part of a 232 investigation that was
articulated from the Hill, primarily from the
Ohio and Pennsylvania congressional delegations,
both the Senate and the House of Representatives,
over a period of months before the May 4th
declaration.

When the determination was made to
proceed with the 232 investigation specifically,
on or about that -- on or about the May 4th -- I
don't know if I necessarily have a specific date.
I don't recall a specific date when the
determination was made. There was a -- it was on
or about the time of that press release being
issued.

MR. BROWN: Okay. Well, I have some
documents that I can walk you through and we will
get to those. But do you remember how the
decision, even if you don't remember a date, do
you remember how the decision came about
internally?
WITNESS 3: I wasn't part of the decision-making process. So I don't have any recollection of how it was made. I know that there was a great deal of -- I would say a great deal of interest from outside stakeholders including industry and elected officials from the Hill over a period of a month to my recollection, strongly urging the Department of Commerce and BIS to consider self-initiating.

But my recollection how that decision was made -- that was a decision that would have been made directly within BIS. And I wasn't involved in any of the day-to-day decision-making process in any of those conversations.

MR. BROWN: Okay. The ultimate decision likely made by BIS I assume in conjunction with the secretary of commerce?

WITNESS 3: I think that's a fair representation. Again, I was not involved in any of the decision-making process that would have taken place between the Secretary, the