

**Congressman Peter J. Visclosky
U.S. International Trade Commission
Investigations Nos. 701-TA-455 (Final) and 731-TA-1149-1150 (Final): Circular
Welded Carbon Quality Steel Line Pipe from China and Korea
November 24, 2008
Testimony**

Thank you Chairman Aranoff and members of the U.S. International Trade Commission for giving me the opportunity to testify before you today with respect to this critical review of countervailing duty and antidumping investigations on circular welded carbon quality steel line pipe from China and Korea. I also would like to thank you and each member of the Commission for your continued efforts to carefully review each matter brought before you to ensure that American workers are not injured because of the violation of international trading statutes by other countries. I have testified before the Commission on a range of issues over the past 24 years, and I have always appreciated the Commission's serious consideration of my positions.

I come before you today not only in my capacity as United States Representative for the First Congressional District of Indiana, the United States' steel producing capital, but also as Chairman of the bipartisan Congressional Steel Caucus. It is with great pleasure that I inform you that my friend and colleague, Congressman Tim Murphy of Pennsylvania, will assume the role of Vice Chairman in the 111th Congress. It is my understanding that Mr. Murphy has submitted written testimony to the Commission regarding today's proceedings, and I would like to submit a copy of his testimony for the record. Mr. Murphy has demonstrated his commitment to America's steel producers throughout his career and I look forward to working with him on a wide range of steel-related issues, including working with the ITC to enforce our trade laws and give our steel producers a level playing field to compete in the international market.

Rather than recite the facts of this case that you already know—and I think the evidence of both illegal actions on behalf of China and Korea and subsequent injury to our domestic producers is indisputably clear—I want to remind you of the critical importance of this case and its implications for our struggling economy. The issue of toxic trade is not confined to the welded carbon quality steel line pipe industry, but applies to the entire steel industry and many other sectors in our economy. The issue before you today is that China and Korea are violating our trade laws, and we must protect our industries and their employees from their injurious practices. If we are to maintain a manufacturing base in the United States, we must have zero tolerance for unfair and illegal imports.

There is no arguing the fact that the American economy is struggling, as is most of the international community. Some have even said that we are either on the brink of, or already in, a recession. As we work on rebuilding our economy, we cannot leave ourselves vulnerable to illegally subsidized imports from others who will be tempted to rebuild their economies the easy way, by dumping. Given our past experiences I am concerned that others will be incentivized to “dump” their unemployment on the United States. Thus, we must be especially vigilant and work to ensure that the letter and spirit of our laws are followed and, when appropriate and necessary, to impose warranted sanctions under the law.

At the core of the case before you is the question of whether or not China and Korea’s illegal subsidies are causing material injury to America producers, which is defined as “harm which is not inconsequential, immaterial, or unimportant.” I believe that line pipe from China and Korea is unfairly traded, I believe it is injuring domestic

industry and its workers, and I believe it will continue to do so as long as it goes unchecked. From 2005 to 2007 such imports grew by 345,000 tons and their market share surged 20 percent. Meanwhile, the domestic industry took a corresponding hit, losing almost half of its operating income from 2006 to 2007, and I am doubtful that those numbers have improved.

Therefore, I strongly urge you to impose countervailing and antidumping duties against illegally traded Chinese and Korean line pipe imports. And beyond that, I encourage you to remain vigilant for illegal trade efforts in all types of steel and in all sectors of our economy. Thank you very much.