

International Trade Commission
Hearing on
Certain Oil Country Tubular Goods from
India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam
Investigation Nos. 701-TA-499-500 and 731-TA-1215-1223

Statement of Senator Robert P. Casey, Jr. (PA)
July 15, 2014

Chairwoman Broadbent and members of the Commission, I appreciate the opportunity to testify today on an issue of great importance to the hardworking people of Pennsylvania - unfairly traded Oil Country Tubular Goods imports.

Today's proceedings are critical to the future of our domestic steel industry, which is in the midst of a new crisis. After successfully beating back unfair competition from China, our domestic producers are facing a surge of imports from around the globe. The case at hand involves Oil Country Tubular Goods, so-called OCTG, which are high tech steel pipes used in the extraction of oil and natural gas. In recent years, the volume of OCTG imports from the countries in question has soared. The facts speak for themselves. In 2010, we imported over 840,000 net tons of OCTG products. In 2012, we imported over 1.77 million net tons, which is an increase of almost 111 percent in two years.

This surge of imports has harmed domestic producers at a time when they should have benefitted from increased demand for their products. Wide-spread natural gas drilling, including in the Marcellus Shale in Pennsylvania, presents a huge opportunity for domestic OCTG sales. However, unfairly subsidized imports have consistently undersold our domestic product, often by hundreds of dollars per ton. Unsurprisingly, given the price differential, the market share of these imported products has surged, greatly harming Pennsylvania producers like US Steel, JMC and TMK and the Steelworkers they employ. We simply cannot allow our trading partners unfettered access to U.S. market as they continue to intentionally and unfairly undercut our companies. It is time to level the playing field for U.S. workers.

Further, the actions of our trading partners appear aggressive and intentional. We know that the foreign producers in question are heavily dependent on our market – which is the largest market for OCTG in the world. Indeed, South Korea has no home market for OCTG and no significant alternative export markets. In fact, almost every ton of OCTG made by South Korean mills comes to the United States. Furthermore, without intervention, this dynamic stands to get worse. Many foreign producers are in the process of expanding their production capacity – which will give them even stronger incentives to ship to the United States.

Under these circumstances, we must intervene to ensure U.S. companies have the chance to compete for business on a fair playing field. The steel industry is an integral part of both the National and Pennsylvania economies. According to the Economic Policy Institute, without action we stand to lose half a million jobs in this country, over 35,000 in Pennsylvania alone. In fact, we have already seen the impact in Pennsylvania. In June 2014, US Steel stopped production at two facilities, one of which was in McKeesport, Pennsylvania. In total, 260

employees were impacted. According to US Steel, the idling of these facilities is directly tied to the flood of unfairly subsidized imports of OCTG. We can't afford to send these good-paying jobs overseas. We must act to level the playing field for our domestic steel industry by enforcing our trade laws and providing essential relief to this critical industry.

In closing, I believe there is strong and compelling evidence that OCTG imports from the countries in question have caused and continue to cause material injury to the domestic industry. This case presents a situation where South Korea and others – through subsidies and market distortions – have unfairly overtaken a large part of the U.S. market for their own producers and workers to the detriment of our domestic workers and businesses. I urge you to render an affirmative decision and prevent further unfair trade from harming our workers and industry.

Thank you for your consideration of my views.