

Testimony
Congressman Peter J. Visclosky
International Trade Commission
Hearing on Hot-Rolled Steel Products from China, India, Indonesia,
Taiwan, Thailand, and Ukraine
October 31, 2013

I would like to first thank Chairman Williamson, the members of the Commission, and the staff, for the work that you do to uphold our trade laws, for your commitment to public service, and for the opportunity to be a part of today's hearing. The recent government shutdown provided countless examples of negative impacts from Congress's inability to come to a budget agreement, but I want you to know that the shutdown took on a new reality for me when I realized that I would not be able to participate in this hearing originally scheduled for October 3, 2013. I implored on the House floor numerous times during the shutdown that we have a country to run, and an integral part of running this country is the work that you and your staff do here at the International Trade Commission. Therefore, I thank you for your work and for your timeliness in rescheduling today's very important hearing.

As the Vice Chairman of the Congressional Steel Caucus, I believe that the proper enforcement of our trade laws is vital to American steelworkers. What is at stake today are American steel jobs. Steel jobs take skill, know-how, innovation, and teamwork. They are jobs that provide a living-wage, and allow workers to invest in their families and their communities. This is essential in the communities in the First Congressional District of Indiana, and in communities throughout America.

To illustrate, along with Chairman Murphy of the Eighteenth Congressional District of Pennsylvania, the Congressional Steel Caucus gathered the signatures of 48 other Members of Congress from around the county in a letter to you in support of maintaining the current countervailing and anti-dumping duties at issue in this case. The orders before you cover dumped and subsidized hot-rolled steel from six countries, including China, India, Indonesia, Taiwan, Thailand, and Ukraine. As the Department of Commerce has already stated, the revocation of the anti-dumping duty orders would likely lead to the continuation or recurrence of dumping at margins as great as 90.83 percent, and the revocation of countervailing duty orders would likely lead to the continuation or recurrence of a countervailable subsidy at rates as great as 563.5 percent.

There also are massive capacity increases throughout these countries, and persistent patterns of unfair trading practices in other steel product lines. Specifically, it is estimated that hot-rolled steel capacity in China has grown from approximately 175 million metric tons in 2006 to approximately 385 million metric tons in 2012, and in India, hot-rolled steel capacity has grown from approximately 16 million metric tons in 2006 to approximately 37 million metric tons in 2012. I would add that because of the depressed conditions of their own economies, removing our protections would release a flood of dumped and subsidized imports, leading again to material injury for American steel manufacturers and the loss of American jobs.

Additionally, as noted in the Steel Caucus letter, American steel is still recovering in this fragile economy. From 2007 to 2009, U.S. consumption of hot-rolled steel fell by over 43 percent and data from a previous Commission proceeding showed that in 2009, U.S. mills had an operating loss of \$2.3 billion and 18 percent of the U.S. workforce making hot-rolled steel lost their jobs. As of last year, U.S. consumption had still not returned to 2007 levels, and as of last week, the *Northwest Indiana Times*, a local newspaper in my district, noted that U.S. Steel is predicted to lose money for the fourth consecutive quarter and ArcelorMittal is predicted to lose money for the fifth consecutive quarter.

Members of the Commission, American steel jobs are at stake, and we must do all that we can to allow American workers to recover in this fragile economy without the fear of further injury from unfair trade. Therefore, I respectfully request that you keep these orders in place, and again, I thank you for your tireless work and for your fair and thorough consideration of this case.