

**Statement of Congressman Todd Rokita**  
Before the International Trade Commission  
Hot-Rolled Steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine  
Inv. Nos. 701-TA-405, 406, and 408 and 731-TA-899-901 and 906-908 (Final)  
October 31, 2013

Good morning Chairman Williamson and Members of the Commission. Thank you for the opportunity to share my views on why I believe that the Commission should maintain the existing orders on hot-rolled steel from China, India, Indonesia, Taiwan, Thailand, and Ukraine.

In full disclosure, I would like the record to reflect that I have a close relationship with the nation of Taiwan, having earned the highest civilian honor which can be obtained by a non-Taiwanese citizen. I am proud of the friendship I have built with the Taiwanese people, and I intend to continue working to cultivate a close relationship between our two nations, one which I believe is very beneficial for both sides.

I also have previously testified before the Commission on behalf of the domestic steel industry back in 2001. I testified at the October 5, 2001, field hearing in Merrillville, Indiana, as the Deputy Secretary of State of Indiana. As I noted in that hearing, I am from northwest Indiana, with over half of my immediate and extended family living in the region and relying directly or indirectly on the steel industry. Throughout my life, I have seen firsthand the trials, as well as the benefits, of working in this industry. The steel industry, when healthy, provides

Hoosiers the opportunity to earn a steady, quality income that allows workers to provide a brighter future for the children of tomorrow. It also allows workers to experience the sense of pride that comes from building things that last and serve as a foundation for a better, stronger country.

However, I understand there are many challenges that steel workers in Indiana face every day. As I testified in 2001, when international trade rules are broken, Hoosier steel workers and their families are the ones hurt. This Commission plays a critical role in enforcing our trade rules, and I am hopeful that you will conclude that an affirmative finding is necessary in this case. The full enforcement of these rules will help ensure that the hard-working men and women that I grew up with and now represent are able to compete on a level playing field.

Today, I proudly represent the 4<sup>th</sup> District of Indiana in the United States House of Representatives. My district is a home to two of the nation's largest steel producers – Nucor Steel Indiana in Crawfordsville and Steel Dynamics Inc. in Pittsboro. Nucor Steel Indiana is one of the leading hot-rolled steel producers, providing good wages for the workers in my district. It also provides a sound basis to build the economic infrastructure that attracts other manufacturers and businesses. SDI, which was created in 1994, has grown from just 3 employees to over 6,600. Its first mill was a hot-rolled mill, and its products, including those manufactured in my district, are used in a wide variety of sectors. Furthermore,

AK Steel's joint venture has started building a new plant in my district which will produce high-quality iron ore pellets, a critical steelmaking raw material.

I want to be clear from the beginning that I absolutely support free trade. I believe in free and competitive markets, where the best companies and the most innovative technologies win out. Continuing the remedy on hot-rolled steel from these countries will encourage both free enterprise and free trade by ensuring that all sides play by the rules. We have international trade laws, and while we should encourage as much competition as possible, we cannot allow countries to cheat by violating their international treaty obligations. Furthermore, we need to ensure that American steelmakers are not harmed when producers in other countries choose to distort global markets in violation of international treaty obligations by selling unfairly traded products in our market.

As this Commission well knows, antidumping orders and countervailing duty orders require that the Commission find that material injury is likely to be caused to the domestic industry, as well as the Department of Commerce to determine if the absence of these orders would be likely to lead to continuation or recurrence of dumping and/or a countervailable subsidy. In this case, the Department of Commerce has made the determination that dumping and/or a countervailable subsidy would be likely to occur if these orders were sunset or revoked. As a result, it is now up to this body to determine, frankly, whether even

though true, do dumping and foreign subsidies really matter- do they cause material injury? Commissioners: here is why they matter.

The past several years have been especially difficult for manufacturing in the United States. The domestic hot-rolled steel industry is no different – it is operating at only 76 percent of its capability, and its production, capacity, and shipments all declined between 2007 and 2012. Throughout this period, the industry has failed to earn the rates of return necessary to remain economically viable, which has resulted in the loss of 2,000 high-quality production jobs and the bankruptcy of a major steel producer, RG Steel. The steel workers who have been fortunate to keep their jobs have seen their hours slashed and pay dramatically reduced. If you ask any of the hot-rolled workers back home in my district, they will tell you that the existing trade remedy is an important reason why they still have jobs and can continue providing for their families.

Now, to be clear, the economy is still a wreck. Construction spending remains weak, and demand in the automotive and energy sectors has yet to fully recover. Now there are several reasons for this, most notably, the Keynesian economics that pervades our society and this city right now. This is the idea that we can somehow dig our way to prosperity by digging even larger and deeper debt holes. Second, the sad fact is that activists and bureaucrats continue to over regulate industries with which they, on the whole, have little experience.

Luckily, however, these facts concerning why our economy is the way it is, are irrelevant for your standard of review. The particularly moribund condition of this industry, however it has occurred, is a fact though that you must consider and is certainly within your purview. Given the weakened state of the domestic industry, I fear that removing the orders would cause further deterioration to an already vulnerable U.S. hot-rolled steel industry.

Let me give you one example of why this case is so important. Nucor Steel Indiana is working to produce the next generation of ultra-thin cast sheet at the Castrip facility in Crawfordsville. It is a steel mill without a rolling mill, in the space of a grocery store parking lot. The Castrip process eliminates the need for a separate rolling mill by processing hot metal into hot-rolled steel without reheating and rolling, saving both time and money. It is a huge investment in capital and technology for Nucor, and one that they have been working on for years. It is an innovative investment that makes sense and will help America grow out of the recession. These kinds of long-term investments are necessary in order for U.S. producers to stay competitive in the global steel marketplace. However, it is simply not possible to make these kinds of forward-thinking investments when your markets and your rates of return are constantly being undercut by unfairly traded goods.

As has been determined by the Department of Commerce, each of the six countries under review has targeted the U.S. market with unfairly traded steel in the past. Since the time of this first determination, these countries have significantly increased their capacity in the past few years. They are also heavily export-oriented and can quickly divert large shipments of hot-rolled steel to the most attractive markets. I understand, for example, that both India and Taiwan exported many millions of tons of hot-rolled steel in 2012 and are on track to ship even more in 2013. At the same time that producers in these countries continue to expand their capacity, they are being shut out of their traditional export markets due to weak demand conditions and global overcapacity.

Without the trade remedy in place, the U.S. market will be the logical destination of their unfairly traded imports. The U.S. hot-rolled market is one of the largest and most attractive markets in the world. Because we are an open economy, the U.S. market is also highly accessible and has few barriers to entry, which is a feat that we should all be proud of. However, it also means that we are vulnerable to predatory actions by nations which do not follow the rules.

The current trade remedy has been instrumental in creating a fair, competitive environment for the domestic steel market. On behalf of the hardworking families in my district and across the country, I ask the Commission to carefully consider the evidence before you and vote to maintain the trade

remedy on hot-rolled from China, India, Indonesia, Taiwan, Thailand, and Ukraine. Together, we must work to ensure that companies like Nucor, SDI, AK Steel, and the other domestic producers that you will hear from today have the opportunity to modernize and grow without the fear of sustaining financial damage from unlawful trade practices.

Thank you for your time and for your hard work on behalf of all Americans.