

Testimony of the Honorable Jeff Sessions, U.S. Senator, Alabama
Before the U.S. International Trade Commission

On Certain Welded Line Pipe from Korea and Turkey
Final Injury Hearing – October 6, 2015
ITC Investigation Nos. 701-TA-524-525, and 731-TA-1260-1261 (Final)

Chairwoman Broadbent and Members of the Commission, I am here to urge an affirmative decision in the current antidumping (AD) and countervailing duty (CVD) investigation on certain welded line pipe imports from Korea and Turkey. For the last 150 years, the United States has thrived because of its strong manufacturing core. This industry is especially important because domestic production is critical for our economy, energy profile, and national security.

Alabama is home to some of the nation's leading manufacturers of steel products. In fact, two of the petitioners in this investigation are located in my state—American Steel Pipe Division of ACIPCO of Birmingham and the Energex division of JMC Steel in Thomasville. Both of these companies, and the workers they employ, operate state-of-the-art facilities. Given a level playing field, they can compete against any producer. I believe that this commission has a responsibility to ensure that this industry is protected from unfair market actions and currency manipulation from overseas governments.

But the current market is not fair. As the global economy struggles to deal with crisis after crisis, foreign nations are further incentivized to provide industry subsidies in an attempt to export their unemployment. The Commerce Department's own affirmative final antidumping (AD) and countervailing duty (CVD) determinations show that American producers are up against foreign companies determined not to compete fairly but instead, to undercut American workers who do not receive government assistance.

Today's testimony certainly confirms what the domestic petitioners alleged when the cases were filed in October of last year—that Korean and Turkish line pipe producers were dumping and subsidizing their imports into the United States. I often hear from employees of

these companies, that in many cases the final product price of imports is around the cost of the raw materials that American and JMC Steel use to produce their pipe.

Today you will hear from companies who have made substantial investments in their domestic operations. American Steel Pipe recently spent \$80 million to upgrade its Alabama facility: a necessary expenditure to remain competitive. However, without support from this commission, American Steel Pipe will put off future capital investment, plant improvement, and job creation as they continue to lose revenue to dumped foreign imports. These losses have created a less than favorable economic climate.

JMC's new Energex facility manufactures pipe for the energy sector at its plant in Thomasville. Last year, I visited the Thomasville plant and had an opportunity to discuss these issues with workers there. Unfortunately, since my visit, production at this plant, which had been reduced significantly, ceased at the end of September. The plant is now idle and all employees have been laid off.

Our country relies on a strong, stable manufacturing sector. Certainly, our ability to support future energy demand and maintain an adequate energy infrastructure must rely on a strong domestic line pipe industry that can meet these demands.

To me, it is clear that American workers are suffering because of the actions of aggressive nation states seeking to gain access to the world's greatest market. But to get that access, they must follow the rules.

Thank you for the opportunity to testify today on this important matter to the industry and its employees in Alabama and the nation.