

**BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION**

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Hot -Rolled Steel Flat Products )	Inv. Nos. 701-A-545-547 and
from Australia, Brazil, Japan, Korea, )	731-TA-1291-1297
The Netherlands, Turkey, and )	(Preliminary)
the United Kingdom )	
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**Testimony of Rusty Fisher  
Senior Vice President, Welspun Tubular LLC**

Good Afternoon. My name is Rusty Fisher and I am the Senior Vice President of Sales and Marketing of the Americas for Welspun Tubular LLC. I have been in the steel pipe business for over 33 years. Welspun Tubular is a U.S. manufacturer of line pipe located in Little Rock, Arkansas, where we provide approximately 900 well- paying jobs for the local community. Note that Welspun has invested \$300 Million in a state of the art facility in Little Rock since 2008 and all 900 jobs have been created since 2008. This trade case puts those jobs at risk. I am joined today by Skip Herald, CEO of the Americas of Welspun Pipes and Dave Delie, President of Welspun Tubular LLC.

1. Our most important product is large diameter spiral weld line pipe in Grade X70 for transmission of crude oil and natural gas. That business is 100 percent a project business. We manufacture this product from hot-rolled steel,



primarily grade X-70 and in wall thicknesses ranging from .322” to 1.000”. In our questionnaire, we have broken out the quantities by size.

2. Our business has been growing so our demand for HRC has been growing. I can't describe how devastated we were to see this case filed and to discover that it included products we depend on for the survival of our U.S. mill.

3. Once Welspun is selected as the pipe source for a project we then work with the technical experts for the project to determine the specific sources of supply for the pipes we will produce. The pipeline operators have past experience with suppliers and are familiar with the producer's capability to produce a product to certain technical and dimensional specification. We have already provided Welspun's AML in our questionnaire response.

4. HRC imports of these products tend to arrive in large shipments and are concentrated in periods when the project supply is needed. Therefore, import volumes fluctuate significantly and correlate with these large projects.

5. Today, I am here to ask the ITC to preserve our supply of hot-rolled coil that we need to survive and to continue to operate our plant. We prefer to buy domestic and as the Commission can see from our questionnaire response, our purchases from domestic producers have been growing. However, there are two insurmountable problems we face if we only have access to domestic supply.



6. First, we require X-70 material that has a wall thickness in excess of .625 for certain of our production of heavy walled pipe, and there are no US producers that can produce that product. None. There are a handful of producers in the world who can supply this over .625 HRC and the heavier the material is, the fewer producers there are. Pipeline operators specify the HRC they will accept for a project and there is no overlap in end use between X-70 over .625 and other hot rolled. It makes no sense to cover a product like this in a trade case when there is no domestic supply. U.S. producers of downstream products are hurt because they can't access essential supply. Given the clear distinctions between X-70 HRC over .625 and the remaining products of HRC, it should be treated as a separate like product if it is not excluded from this case.

7. Second, even for hot-rolled with wall thicknesses below .625, we must maintain a variety of suppliers because we are constantly bidding on projects and we need to make sure that we are not overly dependent on a particular supplier during a particular time frame. There are only two approved US companies that qualify to supply us with X-70 below .625 and we are not their only customer. Moreover, U.S. producers of HRC had some production problems recently including the winter and spring of 2014 when the Great Lakes was shut down to barge traffic and certain producers ran short on iron ore. We have provided the details in our questionnaire response.



8. These projects that we bid on have to be completed on time and the requirements are very strict. There are only a handful of projects and these are huge projects with hundreds of millions of dollars at stake. If a company fails to perform for a particular pipeline project you can forget about future business. That is the reason we prefer domestic supply but the nature of our business means we cannot be overly dependent on any one source.

9. In summary we ask the ITC to consider the following:

1) The last time a major trade case against multiple countries was filed against HRC, the large diameter API spiral weld industry did not exist in the USA. Essentially this API large diameter spiral industry has been created in the USA since 2008. Spiral processed pipe is supplying a significant portion of the large diameter high yield line pipe used to transport oil and gas across the U.S. via cross country pipelines.

2) The X70 HRC above .625 that we require for our heavy-walled spiral pipe production is not produced in the USA. At a minimum, the Commission should exclude this material as a separate like product that cannot possibly be injuring the domestic industry.

3) Furthermore, even as to the X70 below .625, imports are necessary because of the limited number of qualified domestic producers and the demanding nature of the end use market. Thus, these imports are not injuring the domestic industry.

4) On behalf of the 900 employees of Welspun Tubular in Little Rock, AR we ask that you grant us an exclusion for X70 HRC so that we can continue to operate the pipe mill and provide good paying jobs. Thank you.

