Testimony of Congressman Dennis J. Kucinich
United States International Trade Commission
Certain Oil Country Tubular Goods (OCTF) from China
Investigation Number 701-TA-463 and 731-TA-1159
December 1, 2009

Chairwoman Aranoff:

Thank you for allowing me to testify before you today regarding Certain Oil Country Tubular Goods (OCTG) imports from China and their devastating effect on the domestic steel industry.

The domestic OCTG industry has grinded to a halt as Chinese imports increased by over 200% from 2006 to 2008 alone. Despite the concurrence of a decrease in market demand for OCTG and the economic downturn, Chinese imports to the US continued to surge through the first quarter of 2009. As a result, the domestic OCTG industry has witnessed one of the most rapid inventory overbuilds in history; causing massive lay offs and forcing the idling or closing of manufacturing plants producing OCTG.

As the U.S.' second-largest trade partner, China accepted the inclusion of a safeguard petition in the U.S.-China Relations Act allowing domestic industries to file petitions with the International Trade Commission (ITC) requesting investigations into dramatic surges of product specific imports from China. China accepted this provision in return for permanent normal trade relations and admission into the World Trade Organization. China's actions in the OCTG case indicate a complete disregard of these very trade rules and threaten continued significant material injury to local manufacturers of OCTG. Preliminary findings of the Department of Commerce antidumping determination show that all but one of the Chinese producers exporting to the U.S. dumped OCTG into the domestic market at prices ranging from zero to 99.14 percent less than normal value. The Department of Commerce has specifically identified almost forty Chinese producers that have actively engaged in unfair trade.

This hearing today must be about demanding the International Trade Commission to remedy a dire situation and to do everything in its power to

protect our domestic manufacturing base from further material injury. It is also an indication that we must do more to ensure that American industries, as a foundational part of our economy, remain strong.

Ohio has seen far too much news of idling manufacturing mills and hundreds of long-time steel workers being laid off at once. According to Public Citizen, of the 22 million jobs expected to be created in the US between 2000 and 2010, only 187,000 or 0.1% will be manufacturing jobs. The Economic Policy Institute reports that two-thirds of the jobs displaced by China trade deficits from 2001 to 2007 were in the manufacturing sector. Ohio is one of the top ten states posting the biggest job losses in this sector.

We cannot have a strong American economy without a strong industrial manufacturing sector that includes not only the steel industry, but also the auto, shipping and aerospace industries. I am the proud author of H. Res. 444, which says that the steel, automotive, aerospace and shipping industries are vital to America's national and economic security. We need a coordinated federal policy that puts the manufacturing sector back in its rightful place as an engine of the American economy.

At a minimum, the ITC must put our local manufacturing communities first and ensure enforcement of our trade laws that protect them. In the long term, I will continue to work towards a national manufacturing policy to shore up our communities and our nation.

Thank you for allowing me to testify today.