

**Congressman Jason Altmire (PA-4)**  
**December 1, 2009**  
**International Trade Commission Hearing**  
**Certain Oil Country Tubular Goods from China**  
**701-TA-463 and 731-TA-1159**

Madame Chairwoman and members of the Commission, thank you for providing me with the opportunity this morning to offer my input regarding oil country tubular goods imported from China.

I represent the fourth Congressional District of Pennsylvania, which lies just north of Pittsburgh and is home to one of the petitioners in this case, TMK IPSCO. TMK IPSCO has operations in two towns in Pennsylvania's fourth District: it manufactures oil country tubular goods in Ambridge and uses steel billets sourced from a plant in Koppel.

Additionally, a second petitioner in this case, the United Steelworkers, represents many of the Pennsylvanians in the fourth District who make their livelihoods producing these goods.

For generations, the communities of western Pennsylvania have been at the heart of United States steel production. As a region, we are rightfully proud of our contribution to building the U.S. economy, and we know that when American companies and workers are given a fair chance, they can produce the highest quality and most competitive steel products in the world.

We are here today to address the concern that American companies may not be competing on a truly level playing field.

When China was admitted into the World Trade Organization in 2001, the nation made a commitment to trade products in compliance with international free trade rules. Despite this assurance, the United States Department of Commerce issued preliminary findings on September 9 indicating that Chinese oil country tubular good imports have been heavily subsidized, as well as preliminary findings on November 5 that these Chinese goods have been dumped into our markets.

Illegal subsidies and dumping have always been a problem in open markets such as the United States'. This issue becomes a real threat when a nation has considerable resources and capacity, like China.

U.S. imports of Chinese oil country tubular goods have tripled in recent years, rising from 725,000 net tons in 2006 to 2.2 million in 2008. By the fourth quarter of 2008, more than 70 percent of oil country tubular goods consumed in the United States were imported from China.

China has engaged in a massive production build-up of its oil country tubular goods. The Chinese are now unable to consume the excess production in their own market or sell these goods into other markets at fair prices. To offload this excess product, the Chinese have opted to ship oil country tubular goods to nations such as ours in order to dump them at subsidized prices.

This surge of imports has caused one of the most rapid inventory overbuilds in history. Normally there are six months or less of oil country tubular goods in U.S. inventories. In May 2009, there were more than 16 months of inventory.

This extreme excess leads to shutdowns and layoffs across our domestic oil country tubular good industry. Companies have been forced to reduce shifts and lay off workers to maintain production; TMK IPSCO has made such decisions to keep operations going. While as of today TMK IPSCO has only had to lay off 50 workers, the United Steelworkers estimates that, nationally, more than 2,000 Americans were laid off when this case was filed.

But these figures don't tell the whole story. The decision you reach on this case will impact far more Americans than the petitioners who brought this case before you, the residents of western Pennsylvania counting on your help, or even U.S. oil country tubular good plants. This decision will also have consequences for all sectors of the steel industry that supply the tube industry, such as processors and fabricators.

Madame Chairman and members of the Commission, we are at a crossroads.

History has shown open trade is a necessity for prosperous nations, provided it is conducted within rules of fair play. These rules were designed to guide us in difficult and uncertain times such as these. As our nation rolls up its sleeves to build its way out of this recession, now is not the time to second guess ourselves.

Likewise, as we channel funding into new infrastructure - particularly energy infrastructure - to stimulate our economy, it would only undermine our efforts to use unfairly traded materials.

I would urge the Commission to make an affirmative final determination in this investigation, and thank you for the opportunity to speak today.