

# Senator Lincoln

## Talking Points

- Thank you for the opportunity to testify today. I am here in support of the U.S. OCTG industry and its workers in their petition for trade relief from dumped OCTG imports from China.
- Let me first discuss some of the facts of this case. The Department of Commerce recently completed its subsidy investigation, calculating final subsidy margins for OCTG imports from China between 10 and 15 percent.
- *This means that in 2008, the Government of China was giving Chinese OCTG producers a cost advantage over the U.S. industry equivalent to \$168 per ton!*
- On the antidumping side, the Commerce Department recently determined that all Chinese producers but one dumped OCTG into the U.S. market at margins ranging from 36 percent to 99 percent. *Indeed, the Department specifically identified almost 40 Chinese producers that had engaged in unfair trade.*
- Not surprisingly, imports of OCTG from China exploded as a result of these illegal trade practices. From 2006 to 2008, imports increased 203 percent. In fact, unfairly traded imports surged in the second half of 2008, just as the U.S. market was collapsing due to the economic crisis.
- Judging from these findings, it is evident that China is dumping OCTG into our market, and the results have been devastating for the steel industry in Arkansas and the nation.

- Two of the petitioners in this investigation, Maverick Tube Corporation and TMK IPSCO, have facilities in Mississippi County, Arkansas.
- Because of dumped and subsidized imports from China, many of the workers in these two facilities have lost their jobs and even those who have managed to hang on have seen their hours and wages fall dramatically.
- The economy of the entire area, and indeed of the whole State of Arkansas, has suffered as a result. Nucor Corporation, which has two major mills in Mississippi County, supplies the two Arkansas OCTG facilities with much of their steel to make into OCTG. Nucor and its workers have suffered because dumped and subsidized imports of OCTG from China have slashed demand for Nucor's steel.
- It is clear the Chinese OCTG industry is a creation of the Chinese government, which has pursued a deliberate policy of increasing the production and export of downstream, value-added steel products like OCTG.
- As you've found, Arkansas is one of many states impacted by China's unfair trading practices. I would like to submit to you a bipartisan letter from myself and 12 of my Senate colleagues urging the commission to ensure that our trading laws are enforced.

- On a final note, unless the ITC finds injury or threat of injury, and a trade remedy is put in place, OCTG producers in China will continue to flood the U.S. market with unfairly traded OCTG.
- Given the current weakness in the U.S. economy, the only possible outcome from this would be still more lost jobs and even greater hardship for the people of Arkansas, and indeed the whole United States.
- I believe this case is a poster child for predatory foreign trade practices. Thousands of American jobs could be restored if a remedy is imposed and fair trade is restored. The link between trade relief and saving jobs is direct for Arkansas.
- Steel workers in northeastern Arkansas are productive and innovative and can out-compete anyone if the competition is fair. These hard-working Arkansas families are not asking for any special treatment. They are simply asking that existing U.S. laws be enforced.
- Their jobs and the well-being of their families literally depend on trade enforcement. Therefore, on behalf of the people of Arkansas, I urge you to take the first step in providing this industry and its workers relief.  
Thank you.