

**Hearing Statement  
of  
Ted Strickland  
Governor  
State of Ohio**

**Certain Oil Country Tubular Goods from China  
Inv. Nos 701-TA-463 and 731-TA-1159**

**December 1, 2009**

Good afternoon Chairman Aranoff and members of the Commission. As Governor of the great State of Ohio, it is a privilege for me to speak with you today.

This country was built with Ohio-made steel. There's Ohio steel in the Empire State Building and a long, long list of landmarks. This country was defended by Ohio-made steel. There's been Ohio steel in everything from cannon balls to aircraft carriers.

There's a good bit of Ohio steel in the fabric of America, and, you know, I think it's fair to say there's a good bit of steel in the backbone of Ohioans.

But no matter how tough and talented my fellow Ohioans are, we cannot be expected to compete against unfairly subsidized imports.

As you know, Ohio is home to several facilities producing oil country tubular goods (OCTG).

In the Ohio community of Lorain, an integrated steel facility and seamless OCTG mills operated by U.S. Steel have experienced significant shutdowns this year – resulting in layoffs of hundreds of workers.

Less than 100 miles away in Youngstown, V&M Star was forced to lay off over 150 workers *after* completing a \$100 million upgrade and expansion of their mill. And let me add, that was the first layoff in the company's history.

V&M's story is echoed by businesses like Wheatland Tube Company in Warren, Ohio – which also made sizeable investments to enter the OCTG market just a few years ago, but had to lay off virtually all of the workers at its Warren facility. In addition, flat rolled steel mills in both Cleveland and Warren have been shut down for most of 2009. Demand for flat rolled steel plummeted because welded OCTG producers in the United States shuttered most of their facilities.

Imports of OCTG from China have been nothing short of massive.

In fact, much of that unfairly traded OCTG still sits idle, having been dumped on the market. It's now serving to significantly delay any recovery for this industry despite increasing demand for OCTG.

Ohio is fortunate to be the beneficiary of new shale gas discoveries. And yet, most of the OCTG being used for drilling in Ohio comes from China, not from our state's own producers.

As members of the commission, you well know this is a question of basic economics. But what's at stake here can't be seen on any spreadsheet. We're talking about the lives and livelihoods of hardworking Ohioans – men and women who seek only a real chance to compete.

I've been around steel workers since I was a little boy. I've never heard even one say he wanted a handout or a subsidy. What they want, what they need, is fairness.

Steel has been a vital part of Ohio's history. And I can tell you, we are working every day to make steel a vital part of Ohio's future.

Eleven Ohio steel producers and the USW are members of the Ohio Steel Council, a public-private partnership designed to strengthen ties among the steel industry, the State of Ohio and our citizens. You may know Roger Lindgren, the President and CEO of V&M Star, who is the chairman of the council this year.

My office, Ohio's Department of Development, our congressional delegation, and local leaders are working hard to support the possibility of V&M Star building a new greenfield seamless pipe plant in Youngstown at a cost of nearly \$1 billion. We have support from leaders in Mahoning and Trumbull counties, as well as city governments of Girard and Youngstown, Ohio – which includes Mayor Williams, who I understand is appearing today. This would be the first new seamless pipe plant built in the United States since the 1980s. Construction of the plant alone could create several thousand jobs for the people of our great state.

Quite frankly, I'm prepared to move heaven and earth to help make this billion dollar plant a reality. But private enterprise in Ohio or anywhere else cannot possibly compete against public subsidies from the Government of China.

We must have countervailing duties to offset Chinese government subsidies and anti-dumping duties to offset dumping by Chinese producers. A failure to provide unfair trade relief will result in massive Chinese government-supported overcapacity, overwhelming the U.S. market for OCTG. Without relief from unfair trade practices, we will not regain lost jobs in the industry. Indeed we will lose more. Without relief from unfair trade practices, we will not see new plants built. Indeed, we will lose plants we already have.

I thank you for the opportunity to appear before you today. This is an extremely important issue for the State of Ohio and I ask you to carefully consider the facts on record and to make an affirmative determination of injury. Because Ohio is a steel state. It always has been. And given a fair chance to compete, it always will be.