

Testimony of Rep. Tim Ryan, 17th Congressional District, Ohio.

U.S. International Trade Commission

Final Injury Hearing - Oil Country Tubular Goods (OCTG) from China

Inv. Nos. 701-TA-463 and 731-TA-1159

December 1, 2009

Chairman Aranoff and Members of the Commission, thank you for the opportunity to testify at this final injury hearing regarding imports of Oil Country Tubular Goods (OCTG) from China. I am pleased to join with others from our Congressional delegation, Governor Strickland (Ohio) and Mayor Williams of Youngstown, Ohio to provide these comments.

Ohio's 17th Congressional District is home to two of the petitioners in this case, V&M Star of Youngstown, Ohio and Wheatland Tube of Warren, Ohio. I have had the pleasure of working with both of these companies and with their workers on a number of local issues which have directly impacted our area. They serve an important role in the local economy and over the years have made significant financial investments in their plants to enhance their competitiveness.

During my tenure in the House, I have made frequent trips to the Commission to express my strong support for the enforcement of the U.S. unfair trade laws, especially when U.S. companies and workers have been injured. Today, I am before you to explain why it is important that the domestic industry receive relief from these unfairly traded imports.

The OCTG imports from China have decimated the U.S. industry. The recent preliminary findings from the Commerce Department have proven that the Chinese have dumped, at average, margins of 36% and subsidized these imports in margins from 11% to 31%. In addition, U.S. imports from China totaled 2.2 million tons in 2008, which accounted for 32.7% of quantity in the U.S. The Chinese took an even larger share of the market *this* year and accounted for 37% of the U.S. market during the first three quarters.

When you review the data, it becomes apparent why these massive amounts of unfairly traded imports have resulted in worker layoffs and severe cut backs at OCTG producers. Unfortunately, these imports have required V&M Star to reduce production, resulting in layoffs and economic hardship to our area's workers and their families. In addition, Wheatland Tube has made significant investments to its plant and installed new finishing equipment to enter the OCTG business. Unfortunately, due to the massive quantities of imports from China, they, too, were forced to reduce production and lay off workers.

Particularly troubling to me is seeing China repeatedly committing offenses in the trade arena. Since my early days in Congress, I have advocated for the types of trade policy reforms that would bring China into global trade compliance. I have placed a high priority on seeking an end to currency manipulation—a practice which impairs the ability of our domestic manufacturers to compete on a level playing field. I also know that the strict enforcement of trade laws is the only

recourse for U.S. producers like V&M Star and other domestic producers. That is why I believe it is very important that the domestic OCTG industry and its workers are granted relief.

OCTG products are essential to our nation's ability to serve the energy market. V&M Star, like others in the industry, are innovative, efficient and dynamic companies that have the ability to serve our country now and well into the future. I believe that it is equally important that all of our trading partners adhere to global trade rules - especially China, one of the least compliant, least cooperative parties in the world.

When I return to my district later this month, I want to assure my constituents that we have taken appropriate steps to remedy this pervasive problem. I ask that you make an affirmative final determination so we are able to ensure a future for this industry and, by extension, the hard-working people in my district and beyond. Thank you.