

Testimony of Senator Manchin
Silicomanganese from Australia
Investigation No. 731-TA-1296
February 11, 2016

Chairman Broadbent, Vice Chairman Pinkert, and members of the Commission — good morning and thank you for allowing me to testify here today. For the last five years, I have had the honor of representing the great state of West Virginia in the United States Senate. I am testifying before you today in support of Felman Production and Eramet Marietta. More specifically I am testifying on behalf of their workers and the communities in which they live. One of my top priorities as Senator is encouraging economic growth and job creation in West Virginia— a state that is particularly vulnerable in the current economy. I am deeply concerned when foreign producers violate the U.S. trade laws and harm our American workers.

In 2006, as Governor of West Virginia, I had the opportunity to switch on the first furnace at the mill in Mason County after Felman took ownership. Over the years, Felman has invested millions of dollars in the facility to bring it from a state of disrepair to a reliable and competitive production site. Felman grew to become a major local employer in Mason County, West Virginia, accounting for almost half of Mason County's manufacturing jobs in 2012. At that time, and just before silicomanganese imports from Australia surged into the United States, Felman's operation generated over \$187 million for West Virginia's economy, supported 524 direct and indirect jobs, and created over \$31 million in employee compensation.

However, increasing and illegal Australian import competition has had a crippling effect on Felman's workers and the communities in which they work and live. Allowing producers like TEMCO – which I understand is Australia's only producer of silicomanganese – to dump freely into the U.S. market cannot be tolerated especially when the effect is to injure domestic producers and workers.

Before silicomanganese imports from Australia began surging into the market, Felman employed approximately 250 plant workers at its facility. But the incredible surge of Australian imports in 2013 so depressed the U.S. market that it forced Felman to idle its plant for close to a year. This had a devastating impact on workers and the entire community in Mason County, West Virginia. The jobs that were lost provided good wages and benefits to hard-working men

and women – exactly the sort of manufacturing jobs this country should be protecting from unfair trade practices by companies such as TEMCO.

Felman was able to restart operations in 2014, but it has never fully recovered from this influx of imports from Australia. Just as Felman restarted production, Australian import volumes surged again, and again depressed market conditions. Faced with the same circumstances as in 2013, Felman has had to curtail production and lay off workers who had just been called back to the factory. In fact, Felman had to lay off 70 people in the 4th quarter of last year, and now has a total of 74 employees. Without protection from further dumped imports from Australia, the people of West Virginia and Felman will be irreparably harmed.

The trade laws are intended to remedy exactly the situation in which Felman and Eramet Marietta finds itself. When low-priced imports flood the market and cause injury to U.S. producers and workers, an antidumping order helps to establish a level playing field so that companies like Felman can compete internationally. Our American industries should not have to shutter their factories, and send workers home indefinitely because a foreign company disobeys the trade laws of the United States.

I appreciate the role that the International Trade Commission has played in enforcing the law and ensuring that West Virginia's companies and workers are treated fairly when facing illegal trade practices. I am confident that the Commission will carefully review the record that has been compiled and arrive at the conclusion that an antidumping order is necessary and proper.

Again, thank you for the opportunity to appear before the Commission today.