TESTIMONY OF INGO RIEMER
BERG PIPE
(BERG PIPE PANAMA CITY CORP. AND BERG PIPE MOBILE CORP.)

Good morning. My name is Ingo Riemer. I am the President and Chief Executive Officer of Berg Pipe. I am grateful for this opportunity to appear before you today to speak about the current state of the U.S. welded large diameter line pipe industry in general, and Berg Pipe in particular, and the importance of maintaining the dumping order on U.S. imports from Japan.

Berg Pipe was founded in 1979 and has pipe manufacturing facilities in both Mobile, Alabama, and Panama City, Florida. We produce line pipe in diameters ranging from 24 to 56 inches. Berg is continuously investing in new technologies and expanding its production capabilities to meet customer needs. For example, in 2016, we installed new girthwelding equipment, allowing us to weld two double random length pipes into one quadruple random length pipe at Panama City. One year later, we installed a new edge milling machine at the same mill. We have also made significant technology upgrades in ultrasonic and x-ray equipment to enable Berg to comply with the most stringent specifications in the world. Quality and innovation applies not only to Berg’s products, but also to its people. In fact, some of the very employees that joined Berg at its inception are still a part of the Berg family today.
Berg has gone through some tough times in recent years. Last fall, Hurricane Michael hit us hard. Our facility, workers, and their families have yet to fully recover. And, as you know from our prior testimony before the Commission, dumped and subsidized imports have taken a toll on Berg and its workers, causing significant layoffs and severe production curtailments. Because of this harm, and despite an existing dumping order on Japanese imports, we were forced to file new trade cases in January 2018 against Canada, Turkey, Greece, Korea, India and China.

We are grateful that the Commission made an affirmative finding of material injury with respect to all six countries earlier this year, resulting in dumping and subsidy orders. Since then, we are slowly getting back on our feet and are beginning to see some improvement in the market. In fact, in summer 2018, soon after preliminary duties were announced, was the first time in more than two years that we were able to book a substantial project. As a result, our mills were finally able to move back up to a regular two shift operation after painful periods of one shift operations and idle time for almost two years because of unfair trade.

While this gives hope to our company, to our approximately 700 workers and their families, Berg and others in the domestic industry are by no means back where we need to be. Our recovery is incomplete. Domestic share of the U.S. market remains below where it was in 2016 and our industry was operating at less
than 50 percent capacity utilization in the first quarter of this year. In other words, U.S. producers are just starting to regain their footing, and a new surge of dumped imports would set us back once again.

If the order on Japanese welded large diameter line pipe were revoked, any gains made from the recently imposed orders would quickly disappear and the domestic industry’s condition would rapidly weaken. I cannot stress enough that dumped Japanese welded large diameter line pipe imports remain a significant threat to Berg and to the rest of the domestic industry. Japanese product competes head-to-head with U.S. product. They are willing to sell at very low, dumped prices all over the world regardless of their distance to the markets. There is no doubt that the domestic industry would lose substantial sales, production, and jobs to Japanese imports without the order in place.

If the order were removed, dumped Japanese product would surge into our market and nullify the benefits of the recent orders. There is simply no merit to claims that dumped Japanese production wouldn’t come here. Japanese producers remain heavily interested in the U.S. market. You have proof of this: The countless exclusion requests filed for Japanese welded large diameter line pipe in the Section 232 process simply confirms this continued interest.

On the issue of Section 232, I would just note that these tariffs have not and will not shield us from unfair import competition, as the Commission itself has
found. Even with these duties in place, we continue to face significant import competition. The duration of the Section 232 program is unclear and it is subject to an exclusion process, which U.S. importers of subject product have and continue to actively use. I would also note that Section 232 has basically been a wash for domestic welded large diameter line pipe producers because we buy almost all of our steel domestically. Any improvement in prices for line pipe has been offset by equal or greater increases in steel costs, which we cannot always pass on to our customers.

In closing, Berg plays by the rules and we expect others to do so as well. All we ask for is a level playing field and that includes keeping dumped Japanese product under order. On behalf of Berg Pipe, our workers, and their families, we ask you to maintain the order on welded large diameter line pipe from Japan. Thank you.