TESTIMONY OF JASON NORRIS
DURA-BOND PIPE LLC

Good morning. My name is Jason Norris. I am the President of Dura-Bond Pipe. Thank you for the opportunity to be here today to discuss why the antidumping order on welded large diameter line pipe from Japan should be maintained.

I wanted to start by giving you some background on my company. Dura-Bond is a family-owned and operated business, founded in 1960 by my grandfather Jim “Buster” Norris who grew up in rural Alabama. I am the third generation to be involved with the family business.

Since its inception, Dura-Bond has always looked ahead, striving to be the best. In 1983, we acquired a coating mill in McKeesport, Pennsylvania and formed Dura-Bond Coating. Twenty years later, we acquired Bethlehem Steel’s abandoned Steelton, Pennsylvania facility, where we now manufacture LSAW pipe in diameters ranging from 24 to 42 inches. In 2012, we built a $12 million-dollar coating mill in Duquesne, Pennsylvania to support US Steel’s McKeesport ERW Pipe mill. By 2014, US Steel closed the ERW mill due the surge of dumped imports, and 260 workers lost their jobs. Dura-Bond purchased this mill in December 2016 in hopes that the market would improve. Without an adjacent pipe mill, our new coating mill would soon also be shut down.
Over the years, Dura-Bond has invested heavily in its facilities, adding innovative processes and improving its techniques and equipment. These investments have always allowed us stay on top but have been at risk over the years due to unfairly traded imports. The trade orders imposed on Canada, China, Greece, India, Korea, and Turkey have been a big help and we are grateful for the Commission’s affirmative determinations in these cases, but we are by no means out of the woods yet.

Dura-Bond and others in the industry are still suffering from low production and capacity level. We had to lay off an entire shift of production and coating at our Steelton mill in 2017 and are waiting for a big job to turn things around. This means that even small volumes of Japanese exports would have disastrous consequences for an already weakened domestic industry in the event of revocation. I have no doubt that without the order in place, Japanese welded large diameter line pipe would quickly surge into the U.S. market once again, causing dramatic declines in the domestic industry’s production, capacity, and employment.

Japanese producers have significant capacity, production, and excess capacity. They have almost no home market, so they rely heavily on exports to maintain production. In fact, Japanese exports of welded large diameter line pipe
were higher in 2018 than in 2016. Japanese producers may argue that these exports won’t be targeted at the U.S. market in the event of revocation. But I don’t buy it. The U.S. market is a large market that remains one of the most attractive in the world. Domestic demand has been relatively strong, and our prices are generally higher than most global markets. And, with antidumping and countervailing duty orders now in place on several of the world’s largest industries, competition for projects in alternative markets is likely to intensify. At the same time, demand growth in some of Japan’s other large export markets is weak or declining. China is facing an economic slowdown and the Middle East is building up its own local capacity. This makes the U.S. market a prime target for Japanese exports in the event of revocation.

Like they did five years ago, Japanese producers are once again claiming that what they produce is high-end and proprietary, and that it doesn’t compete with U.S. product. The Commission didn’t accept that argument then and they shouldn’t accept it now. U.S. welded large diameter line pipe and Japanese imports are interchangeable. We compete head-to-head for the same bids based on price. Without the order in place, there will be nothing to prevent large volumes of dumped Japanese welded large diameter line pipe imports from overwhelming the U.S. industry.
While we can compete among the best of them (foreign or domestic), we cannot compete against dumped imports. On behalf of Dura-Bond, its workers, and their families, we urge you to prevent this from happening and find that Japanese imports are likely to reinjure the domestic industry in the event of revocation. Thank you.