TESTIMONY OF WES HENDRICKS
JSW STEEL (USA) INC.

Good morning. My name is Wes Hendricks. I am the Vice President of Commercial Pipe Sales for JSW Steel (USA) Inc. Thank you for this opportunity to testify on the critical importance of maintaining the dumping order on welded large diameter line pipe from Japan.

JSW Baytown has one of the largest steel mills in North America, which houses both our plate and pipe divisions. Using high quality plate from JSW and other suppliers, JSW’s pipe mill produces LSAW pipe in one of the largest pipe mills in the world. We make a wide range of line pipe with wall thicknesses of up to 1 1/8” thick and diameters of up to 48.”

When I was here last November, I discussed the large number of bids that JSW lost to dumped and subsidized imports from Canada, China, Greece, India, Korea, and Turkey. JSW’s production and sales were down, its profitability had fallen, and we were operating at less than 15 percent capacity as a result. That was a life-threatening situation for our company. The trade cases that were filed and the resulting dumping and subsidy orders on imports from these six countries have helped. Our production, shipments, and capacity utilization are slowly moving back up, and our headcount has improved since relief went into effect.
Another positive result of these trade cases has been JSW’s ability to increase investment in U.S. production and workers. In June 2018, JSW announced a new $250 million investment to restart the electric arc furnace and refurbish the hot strip mill and slab caster of the former Wheeling-Pittsburgh Steel mill in Mingo Junction, Ohio. Last October, we broke ground on a new plate mill in Baytown. This mill is the most technologically advanced and eco-friendly electric arc furnace, slab caster, and plate mill in the world. Largely because of the new trade orders on large diameter welded line pipe and the existing order on Japan, we are currently exploring the feasibility of adding another pipe mill that will expand our product range in diameters and wall thicknesses even further.

These and other potential investment are at risk, however, if the order on Japanese welded large diameter line pipe is revoked. The U.S. market remains a prime market for Japanese producers. U.S. demand and prices are relatively strong, and Japanese producers have well established distribution networks here. Japanese producers have significant excess capacity and could easily shift production away from out-of-scope pipe and other products to ramp up shipments of the subject merchandise if the orders were removed. Significantly, any renewed presence of dumped imports from Japan in the U.S. market would harm our ability to make needed improvements and investments.
I want to emphasize that there is no need for dumped Japanese welded large diameter line pipe in our market. Your Staff Report shows that domestic producers have available capacity to supply the vast majority of the U.S. market and is operating at less than 50 percent capacity. The domestic industry can also produce the full range of products that are covered under the order. We would be competing directly with dumped Japanese product if the order was removed and we would be once again losing critical sales to dumped Japanese large diameter line pipe.

In conclusion, on behalf of JSW and its workers, we ask that you maintain the dumping order on welded large diameter line pipe from Japan. Thank you.